

PURCHASE, SALE, AND DEVELOPMENT AGREEMENT

GRAPEVINE DEVELOPMENT

(2731-2871 University Avenue)

This Purchase, Sale, and Development Agreement (“Agreement”) is entered into this day of _____, _____ (“**Effective Date**”), by and between THE CITY OF RIVERSIDE, AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE, a public entity (“**Seller**”), and GRAPEVINE CAPITAL INVESTORS I, LLC, a California limited liability company, its successor, heirs, and assignees (“**Buyer**”). In consideration of the mutual covenants and agreements, the parties agree to the following terms and conditions:

RECITALS

A. On October 9, 2020, the State of California adopted Assembly Bill No. 1486 (“**AB 1486**”), which provides the following: “The Legislature reaffirms its declaration that housing is of vital statewide importance to the health, safety, and welfare of the residents of this state and that provision of a decent home and a suitable living environment for every Californian is a priority of the highest order. The Legislature further declares that a shortage of sites available for housing for persons and families of low and moderate income is a barrier to addressing urgent statewide housing needs and that surplus government land, prior to disposition, should be made available for that purpose.” (Government Code Section 54220.)

B. In compliance with Section 2 of AB 1486 and pursuant to Government Code sections 54220, et seq., on May 26, 2020, Seller gave notice of the planned sale of certain surplus property to the State of California Department of Housing and Community Development’s (“**HCD**”) approved list of affordable housing developers. In the notice, Seller indicated that no funding was available to subsidize the production of affordable housing units from the Seller and that the surplus properties were intended to be sold subject to a current fair market value appraisal. No responses were received within sixty (60) days from the receipt of the notice.

C. In compliance with Section 2 of AB 1486 and pursuant to Government Code 54220, et seq., on July 8, 2021, Seller issued a Request for Purchase and Development Proposals soliciting a mixed-use and multi-family development with a minimum of fifteen percent (15%) residential units restricted to low-income residents for the below-described Property.

D. On October 6, 2021, Grapevine Development, LLC (“**Grapevine**”), submitted a proposal for the purchase and development of the below-described Property. Grapevine has assigned its rights with respect to such proposal to Buyer, with which Grapevine is affiliated.

E. On May 8, 2023, HCD notified Seller and acknowledged Seller's compliance with AB 1486 on the disposition of the Property to Buyer. A true and correct copy of this letter from HCD is attached hereto as **Exhibit "G" ("HCD Approval Letter")** and incorporated herein by reference.

ARTICLE I AGREEMENT OF SALE

1.1 **Property.** Seller owns certain real property, located at 2731-2871 University Avenue, Riverside, California, identified as Assessor's Parcel Numbers 211-131-021, -022, -023, -024, -026, -031 and -032, totaling approximately 1.86 acres ("**Property**"), all as more particularly described in Exhibit "A" ("**Legal Description**") and depicted on Exhibit "B" ("**Plat Map**"), both of which are attached hereto and incorporated herein by reference. This Agreement is subject to the approvals of the City of Riverside ("**City**"), as Successor Agency to the Redevelopment Agency of the City of Riverside ("**Successor Agency**"), the Riverside Countywide Oversight Board ("**Countywide Oversight Board**") and the State of California Department of Finance ("**DOF**").

1.2 **Intention.** Seller agrees to sell, assign, and convey all interest in, on and below the Property to Buyer. Buyer desires to purchase in fee the Property and the property currently owned by the Housing Authority of the City of Riverside ("**HA**"), located at 2882 Mission Inn Avenue, identified as Assessor's Parcel Number 211-131-001 (the "**HA Parcel**"), which is subject to a certain Disposition and Development Agreement dated for identification purposes only as of _____, _____, between Buyer and HA (collectively with the Property, the "**Project Site**") and develop the Project Site with a mixed-use development, including at least 64 dwelling units of which at least fifteen percent (15%) shall be restricted to persons and families of low or moderate income, as defined in Section 50079.5 of the Health and Safety Code, with an affordable rent, as defined in Sections 50052.5 or 50053 of the Health and Safety Code, for a minimum of fifty-five (55) years for rental housing, and in no event shall the maximum affordable rent level be higher than twenty percent (20%) below the median market rents for the neighborhood in which the site is located; and an open-space recreational feature (the "**Project**"). The above description of the Project is an absolute condition of the Seller's sale to Buyer; Buyer agrees to disclose, impose, and record the description and its conditions to Buyer's successors, assigns, any tenants, owners' associations, CC&Rs, any other relevant entity or document.

1.3 **Incomplete Legal Description.** If the Legal Description of the Property is not complete or is inaccurate, this Agreement shall not be invalid, and the Legal Description shall be completed or corrected at the expense of the Seller to meet the requirements of the title company to issue a title policy hereinafter described.

1.4 **Due Diligence.** Buyer shall have until 5:00 p.m. Pacific Time on the date that is sixty (60) calendar days following the Effective Date to perform, in its sole discretion, its due diligence review of the condition of the Property and all other matters concerning the Property, including without limitation, condition of title, economic, financial, and accounting matters relating to or affecting the Property or its value, and the physical and environmental condition

of the Property (“**Due Diligence Period**”). During the Due Diligence Period, Buyer will commence inquiries, with local, state, and federal government agencies as it sees fit, retain such consultants, and taken such actions as Buyer deems necessary or appropriate to enter into this Agreement. Seller authorizes Buyer, its agents, contractors, consultants, to make all inquiries of appropriate governmental authorities with respect to the Property and to conduct investigations and tests on the property, as Buyer, in its good faith and reasonable judgment deems necessary to satisfy itself as to the condition of title to the Property and the feasibility of any proposed development on the Property. On or before the expiration of the Due Diligence Period, Buyer shall deliver written notice to Seller accepting the Property or terminating this Agreement. If Buyer fails to give such notice on or before the Due Diligence Period, Buyer shall be deemed to have terminated this Agreement.

1.5 **Due Diligence Materials.** Within ten (10) calendar days of the Effective Date, Seller shall deliver or make available to Buyer complete copies of all materials relating to the use, ownership, condition, operation, development or marketing of the Property that are in possession or control of or available to Seller, including without limitation all preliminary plans, engineering and soils reports, title policies, surveys, maps, environmental inspections and reports, hazardous waste reports, appraisals, the Successor Agency’s Long-Range Property Management Plan approved by the DOF, notices and other written communications from and to the DOF, utilities capacity and location to the Property, grading, streets, storm drain, sewer, water, landscape and irrigation plans, “will-serve” letters, feasibility studies, claims, liabilities, leases, licenses, and consultant agreements (“**Due Diligence Materials**”). Seller agrees to deliver any additional information, claims, notices, studies, or any other communication Seller receives regarding the Property during the Due Diligence Period.

1.6 **Right of Entry.** After the Effective Date and during Escrow, Seller grants to Buyer and its agents, employees, contractors or subcontractors, the right to enter the Property for the purpose of conducting a Phase I Environmental Site Assessment, soil testing, environmental and engineering studies, and such further engineering, grading, archeological, geological or survey work as may be required in connection with Buyer's feasibility review and for the preparation by Buyer of its development plans for the Property. Buyer must obtain Seller’s permission, in writing, before any intrusive soil testing is performed. Buyer shall provide Seller with twenty-four (24) hours’ notice prior to such entry. Prior to entry Buyer shall provide Seller with all certificates of insurance and additional insured endorsements in the amounts required by Seller, such as, but not limited to commercial general, workers’ compensation, and automobile. Buyer agrees to keep the Property free and clear of any liens or encumbrances that may arise out of Buyer's inspection of and activities on the Property. All costs, expenses, liabilities, or charges incurred in or related to the performance of any and all of such studies and work on the Property including the preparation by Buyer of any plans or maps for the development or use of the Property, and the cost of filing, recording reports, plans, maps or other documents related thereto shall be at the sole cost and expense of and shall be paid by Buyer. Buyer hereby agrees to repair any damage done to the Property by Buyer, its agents, employees, servants or nominees, and Buyer shall restore the Property to the same or similar condition as existed on the Effective Date. Buyer shall not have any such obligation if Escrow closes and title to the Property vests in Buyer. The right to enter the Property shall be co-extensive with the period during which Escrow is open, or any extension thereof.

1.7 **Assumption of the Risk.** Subject to the other provisions of this Agreement: (a) Buyer agrees, that by its acceptance of the Property under Section 1.4, it assumes the risk that an adverse condition of the Property may not have been revealed by its own due diligence; and (b) on Buyer's acceptance, Seller shall have no obligation to repair, correct, or compensate Buyer for any condition of the Property, including defects in improvements, noncompliance with applicable laws and regulations, including without limitation zoning laws, building codes, and the Americans with Disabilities Act, whether or not such condition of the Property would have been disclosed by Buyer's due diligence.

1.8 **Duty to Act in Good Faith.** The parties agree to act in good faith and fair dealing and endeavor to utilize their best efforts to perform all terms of this Agreement and in any discussions related to the Project with the parties and third parties.

ARTICLE II

PURCHASE PRICE, ESCROW, DEPOSIT AND BUYER'S OBLIGATIONS

2.1 **Purchase Price.** The total purchase price to be paid by Buyer to Seller for the Property shall be the sum of One Million Fifty Thousand Dollars (\$1,050,000) ("**Purchase Price**"). The Purchase Price shall be payable to Seller in immediately available funds in accordance with the provisions and requirements of this Agreement. The Parties acknowledge and agree that the Purchase Price represents the full fair market value of the Property.

2.2 **Escrow.** Within ten (10) calendar days following the Effective Date, Seller shall open an escrow ("**Escrow**") with Lawyer's Title, 3480 Vine Street #300, Riverside, California 92507, or other qualified escrow agent approved in writing by the Parties ("**Escrow Holder**"). The parties hereto shall execute and deliver to Escrow Holder such escrow instructions prepared by Escrow Holder as may be required to complete this transaction. Any such instructions shall not conflict with, amend, or supersede any provision of this Agreement. If there is any inconsistency between such instructions and this Agreement, this Agreement shall control.

2.3 **Deposit.** Within fifteen (15) calendar days following the opening of Escrow, Buyer shall deliver a deposit in the amount of One Hundred Five Thousand Dollars (\$105,000) ("**Deposit**") to the Escrow Holder which will be applied towards the Purchase Price at the Close of Escrow. After the expiration of the Due Diligence Period, if Buyer has not terminated this Agreement as provided in Section 3.1 below, Buyer's Deposit shall become non-refundable but shall still be applied towards the Purchase Price at the Close of Escrow. If this Agreement is terminated after expiration of Buyer's Due Diligence Period, the Deposit shall be released to Seller unless the parties agree to further extend the Agreement.

2.4 **Buyer's Obligations During Escrow.**

2.4.1 Within ninety (90) days following the Effective Date, Buyer shall submit an application and applicable submittal requirements as outlined in Exhibit "D," attached hereto and incorporated by this reference, to the Planning Division of the City of Riverside's Community & Economic Development Department ("CEDD") including:

- (a) All necessary entitlements, technical studies and environmental clearance for the Project ("Entitlements"); and
- (b) Any other documents, permits or applications required for the review and development of the Project.

2.4.2 Buyer shall also comply with the following prior to Close of Escrow:

- (a) Within twenty-four (24) months from the Effective Date, Buyer shall have obtained all necessary Entitlements, including grading and building permits.
- (b) Within twenty-four (24) months following the Effective Date, Buyer shall provide proof of bank financing, equity commitment and/or cash equivalent equal to the construction cost of the Project as shown on Buyer's development pro-forma.

ARTICLE III CLOSING

3.1 **Closing Date.** Escrow shall close on or before the earlier of: (a) the date that is twenty-four (24) months following the Effective Date ("**Close of Escrow**"), or (b) the date on which Buyer has obtained its financing commitments and entitlements, but in no case can the Escrow close later than twenty-four (24) months following the Effective Date. Close of Escrow is subject to Buyer completing all of Buyer's obligations as described in Section 2.4 above and in Section 3.2 below. If Escrow is not in a condition to close by the Close of Escrow, any party who is not then in default, upon notice in writing to the Escrow Holder and the other party, may demand the return of their documents and cancellation of the Escrow. Unless objected to in writing within ten (10) calendar days from the receipt of the notice of cancellation, the Escrow will automatically be canceled. If no demand for cancellation is made, then Escrow will close as soon as possible. Notwithstanding the foregoing, the Close of Escrow may be extended by mutual agreement if the parties are diligently attempting to resolve the issue(s) that may be preventing or delaying the Close of Escrow.

3.2 **Closing Documents.**

3.2.1 Seller, prior to the Close of Escrow, shall deliver to Escrow Holder each of the following items, the delivery of each of which shall be a condition to the performance by Buyer of its obligations under this Agreement:

- (a) A grant deed sufficient for recording, conveying legal title of the Property to Buyer; and
- (b) All additional documents and instruments which may be reasonably necessary for the Close of Escrow and to consummate the sale of the Property in accordance with the terms of this Agreement and with the requirements of the Title Company.

3.2.2 Buyer, prior to the Close of Escrow, shall deliver to Escrow Holder each of the following items, the delivery of each of which shall be a condition to the performance by Seller of its obligations under this Agreement:

- (a) The Purchase Price of the Property and any additional funds necessary to satisfy Buyer's obligation relating to the acquisition of the Property;
- (b) Copies of Buyer's authority documents and/or such other documents and instruments evidencing Buyer's due existence and authority to enter into and consummate the sale of the Property contemplated by this Agreement as Escrow Holder may require;
- (c) Evidence of Project Entitlements, including grading and building permits;
- (d) Proof of bank financing, equity commitment, cash funding and/or financing commitments equal to the cost of the construction of the Project including a development pro-forma that shows the total construction cost of the Project and an income and expense statement during the Affordability Period, as defined in the Regulatory Agreement referenced herein and attached hereto as Exhibit "E";
- (e) A Schedule of Performance, which shall be in such form as that attached hereto as Exhibit "C" and incorporated herein by this reference setting out the dates and/or time periods by which certain obligations set forth in this Agreement must be accomplished. The Schedule of Performance is subject to revision from time to time due to Permitted Delay events. The City authorizes the City Manager to make such revisions to the Schedule of Performance as he/she deems reasonably necessary to effectuate the purposes of this Agreement;
- (f) A fully executed Regulatory Agreement with the City of Riverside, which shall be in such form as that attached hereto as Exhibit "E" and incorporated herein by this reference, as to permit it to be recorded in the Riverside County Recorder's Office;

- (g) A fully executed Notice of Affordability Restrictions on Transfer of Property with the City of Riverside, which shall be in such form as that attached hereto as Exhibit “F” and incorporated herein by this reference, as to permit it to be recorded in the Riverside County Recorder’s Office;
- (h) Written proof that escrow has closed or will close concurrently pursuant to the Disposition and Development Agreement between the HA and Buyer with respect to the HA Parcel; and
- (i) Any additional documents and instruments which may be reasonably necessary to consummate the sale of the Property in accordance with the terms of this Agreement and with the requirements of the Title Company.

3.3 **Taxes.** Buyer understands and acknowledges that Seller, as a public entity, is not being assessed for any real property taxes or for any special assessments on the Property. However, upon the Close of Escrow, Buyer understands and acknowledges that real property taxes and special assessments will be assessed against the Property and Buyer will be responsible for the same if Buyer is not eligible for tax exemption. Buyer agrees to hold Seller harmless for any and all real property taxes and/or special assessments on the Property assessed on and after Close of Escrow.

3.4 **Condition of Title.** At the Close of Escrow, Seller shall convey fee simple merchantable and insurable title of the Property to the Buyer free and clear of all liens, restrictions, delinquent taxes and assessments, and encumbrances as evidenced by a CLTA Title Insurance Policy (“**Title Policy**”) issued by Title Company in an amount equal to the Purchase Price. Buyer may elect to require that the Title Policy be an ALTA extended coverage policy so long as that does not delay the Close of Escrow and Buyer pays the additional cost therefor (including the cost of any survey required by Title Company). The Title Policy shall show as exceptions with respect to the Property only matters approved in writing by the Buyer during the Due Diligence Period. Any exceptions to title representing monetary liens or encumbrances shall be deemed disapproved by Buyer, and Escrow Holder is hereby authorized and instructed to cause at Seller’s expense the re-conveyance or partial re-conveyance, as the case may be, of any such monetary exceptions to Buyer’s title to the Property at or prior to the Close of Escrow.

3.5 **Costs.**

3.5.1 At the Close of Escrow, and as a debit from the closing proceeds to be paid to Seller, Seller shall be responsible for: (i) one-half the cost of any escrow charges imposed by the Escrow Holder; (ii) the cost of a CLTA Standard form owner policy of title insurance from Title Company; and (iii) any other expenses customarily charged to Seller in connection with similar transactions including its own attorney’s fees.

3.5.2 At the Close of Escrow, Buyer shall be responsible for: (i) all recording fees and any and all state, county, and local governmental transfer taxes, documentary or otherwise; (ii) the additional cost of an extended ALTA owners title policy and associated costs

if obtained by Buyer; (iii) one-half the cost of any escrow charges imposed by the Escrow Holder; (iv) any taxes disclosed in Section 3.3; and (v) any other expenses customarily charged to Buyer in connection with similar transactions including its own attorney's fees.

3.6 **Brokerage Commissions.** The parties acknowledge that neither party has been represented by a broker, with respect to this transaction. The parties hereby agree to indemnify, defend, and hold the other party harmless from any and all claims that may arise in regard to any commission that may claimed to be owed.

ARTICLE IV "AS-IS" PURCHASE

4.1 **As-Is Information.** Buyer acknowledges, agrees, represents, and warrants that: (a) any information supplied or made available by Seller, whether written or oral, or in the form of maps, surveys, plats, soils reports, engineering studies, environmental studies, inspection reports, plans, specifications, or any other information whatsoever, without exception, pertaining to the Property, any and all records and other documents pertaining to the use and occupancy of the Property, income thereof, the cost and expenses of maintenance thereof, and any and all other matters concerning the condition, suitability, integrity, marketability, compliance with law, or other attributes or aspects of the Property, or a part thereof, if furnished to Buyer, is furnished solely as a courtesy; (b) **THE INFORMATION IS PROVIDED ON AN "AS-IS, WHERE-IS" BASIS AND SELLER MAKES NO REPRESENTATION, EXPRESS OR IMPLIED, OR ARISING BY OPERATION OF LAW, INCLUDING, BUT IN NO WAY LIMITED TO, ANY WARRANTY OF CONDITION, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE, AS TO THE INFORMATION;** and (c) no representations have been made by Seller, or its agents or employees, in order to induce Buyer to enter into this Agreement. Without limiting the generality of the foregoing, Buyer acknowledges, agrees, warrants and represents to Seller that neither the Seller nor its agents or employees have made any representations or statements to Buyer concerning the Property's investment potential or resale at any future date, at a profit or otherwise, nor has Seller or its agents or employees rendered any advice or expressed any opinion to Buyer regarding any tax consequences of ownership of the Property.

4.2 **As-Is Property.** On the Close of Escrow, Buyer will be familiar with the Property and will have made such independent investigations as Buyer deems necessary or appropriate concerning the Property. Seller makes no representations or warranties and specifically disclaims any representation, warranty or guaranty, oral or written, past, present or future with respect to the use, physical condition or any other aspect of the Property, including without limitation the structural integrity of any improvements, the manner, construction, condition, state of repair or lack of repair of any improvements, the conformity of any improvements to any plans or specifications, including but not limited to, any plans and specifications that may have been or which may be provided to Buyer, the conformity of the Property to past, current or future applicable zoning or building code requirements or the compliance with any other laws, rules, ordinances, or regulations of any government or other body, the financial earning capacity or expenses history of the operation of the Property, the nature and extent of any right-of-way, lease, possession, lien, encumbrance, license, reservation, condition, or otherwise, the

existence of soil instability, past soil repairs, soil additions or conditions of soil fill, susceptibility to landslides, sufficiency of undershoring, sufficiency of drainage, whether the Property is located wholly or partially in a flood plain or a flood hazard boundary or similar area, the existence or nonexistence of hazardous waste or other toxic materials of any kind, whether known or unknown and whether or not regulated or governed by applicable laws (including, without limitation, hydrocarbons or asbestos), or any other matter affecting the condition, stability, suitability or integrity of the Property or portion thereof. Notwithstanding Sellers disclaimer outlined herein, nothing in this disclaimer diminishes or eradicates the Entitlements that Buyer obtains from the appropriate regulatory authorities which include and are not limited to zoning, parcel maps, condominium maps, and other necessary permits and approvals to purchase and develop the Property.

4.3 Negligence or Failure to Investigate. Seller shall not be responsible for any negligent misrepresentation or failure to investigate the Property on the part of Seller, any real estate broker or agent, or any other agent, contractor, or employee of Seller or any third party.

4.4 As-Is. BUYER EXPRESSLY ACKNOWLEDGES AND AGREES THAT THE PROPERTY IS BEING SOLD AND ACCEPTED ON AN “AS-IS, WHERE-IS” BASIS, AND IS BEING ACCEPTED WITHOUT ANY REPRESENTATION OR WARRANTY. IF BUYER ELECTS TO PROCEED WITH THE PURCHASE OF THE PROPERTY, ANY OBJECTIONS WHICH BUYER MAY HAVE WITH RESPECT TO THE PROPERTY (INCLUDING, WITHOUT LIMITATION, ANY ENVIRONMENTAL MATTERS, HAZARDOUS SUBSTANCES, WASTES OR TOXIC MATERIALS THAT MAY BE LOCATED ON, UNDER OR ABOUT THE PROPERTY, WHETHER KNOWN OR UNKNOWN) SHALL BE WAIVED BY BUYER, EXCEPT AS SPECIFIED IN SECTION 1.7.

4.5 Past Uses. BUYER EXPRESSLY ACKNOWLEDGES AND AGREES AS PART OF ITS ACCEPTANCE OF THE PROPERTY ON AN “AS-IS, WHERE-IS” BASIS THAT BUYER IS AWARE OF ALL PRIOR USES OF THE PROPERTY THAT MAY LEAD TO CONTAMINATION OF THE PROPERTY. AS OF THE CLOSE OF ESCROW, BUYER SHALL HAVE OBTAINED AND READ ALL ENVIRONMENTAL ASSESSMENTS REGARDING THE PROPERTY WHICH A REASONABLY DILIGENT BUYER WOULD HAVE OBTAINED PRIOR TO THE PURCHASE THEREOF. BUYER ASSUMES ALL RESPONSIBILITY FOR ANY CONTAMINATION THAT IS PRESENT ON THE PROPERTY DUE TO PRIOR AND/OR EXISTING USES OF THE PROPERTY, CONSISTENT WITH THE PROVISIONS OF SECTION 1.7.

4.6 Waivers. AS PART OF BUYER'S AGREEMENT TO PURCHASE AND ACCEPT THE PROPERTY “AS-IS, WHERE-IS,” AND NOT AS A LIMITATION ON SUCH AGREEMENT, BUYER HEREBY UNCONDITIONALLY AND IRREVOCABLY WAIVES ANY AND ALL ACTUAL OR POTENTIAL RIGHTS BUYER MIGHT HAVE REGARDING ANY FORM OF WARRANTY, EXPRESS OR IMPLIED, OF ANY KIND OR TYPE, RELATING TO THE PROPERTY AND ITS IMPROVEMENTS. SUCH WAIVER IS ABSOLUTE, COMPLETE, TOTAL AND UNLIMITED IN ANY WAY. SUCH WAIVER INCLUDES, BUT IS NOT LIMITED TO,

A WAIVER OF EXPRESS WARRANTIES, IMPLIED WARRANTIES, WARRANTIES OF FITNESS FOR A PARTICULAR USE, WARRANTIES OF MERCHANTABILITY, WARRANTIES OF HABITABILITY, STRICT LIABILITY RIGHTS AND CLAIMS OF EVERY KIND AND TYPE, INCLUDING, BUT NOT LIMITED TO, CLAIMS REGARDING DEFECTS WHICH WERE NOT OR ARE NOT DISCOVERABLE, PRODUCT LIABILITY CLAIMS, PRODUCT LIABILITY TYPE CLAIMS, ANY RIGHTS AND CLAIMS RELATING OR ATTRIBUTABLE TO ENVIRONMENTAL CONDITIONS, AND ALL OTHER ACTUAL OR LATER CREATED OR CONCEIVED OR STRICT LIABILITY OR STRICT LIABILITY TYPE CLAIMS AND RIGHTS.

BUYER HEREBY ACKNOWLEDGES THAT IT HAS READ AND IS FAMILIAR WITH THE PROVISIONS OF CALIFORNIA CIVIL CODE SECTION 1542, WHICH IS SET FORTH BELOW:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM OR HER MUST HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR.”

BY INITIALING BELOW, BUYER HEREBY WAIVES THE PROVISIONS OF SAID SECTION 1542 IN CONNECTION WITH THE MATTERS WHICH ARE THE SUBJECT OF THE FOREGOING ACKNOWLEDGMENTS, WAIVERS AND RELEASES SET FORTH IN THIS ARTICLE 4. AND ACKNOWLEDGES BUYER IS PURCHASING THE PROPERTY “AS IS.”

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Buyer's Initials

ARTICLE V REPRESENTATIONS, WARRANTIES, AND INDEMNITIES

5.1 Seller's Representations, Warranties, and Covenants. Seller hereby represents, warrants, and covenants to Buyer as of the date of this Agreement, and upon the Close of Escrow, as follows, all of which shall survive the Close of Escrow:

5.1.1 Seller is a public body and has the full power and authority to enter into and carry out the agreements contained in, and transactions contemplated by, this Agreement. The person(s) signing this Agreement and any documents and instruments in connection herewith on behalf of Seller have full power and authority to do so, and if required by the Escrow Holder, Seller will provide proof of its authority to do so pursuant to either resolution or statute. This Agreement has been duly authorized and executed by Buyer, and upon delivery to and execution by Seller shall be a valid and binding agreement of Seller.

5.1.2 There are no attachments, claims, assignments for the benefit of creditors, receiverships, conservatorships or voluntary or involuntary proceedings in bankruptcy or any

other debtor relief actions contemplated by Seller or filed by Seller, or to the best of Seller's knowledge, pending in any current judicial or administrative proceeding against Seller or otherwise affecting the Property.

5.1.3 Seller has not entered into any other written contracts or agreements for the sale or transfer of any portion of the Property.

5.1.4 To the best of Seller's actual knowledge, Seller has received no written notice of any hazardous materials located on, under, or about the Property, except as disclosed in writing to Buyer.

The material truth and accuracy of the foregoing representations and warranties shall be a condition of Buyer's obligations hereunder. Prior to the Close of Escrow, Seller shall notify Buyer of any facts or circumstances which are contrary to the foregoing representations and warranties.

5.2 Buyer's Representations and Warranties. Buyer hereby represents, warrants, and covenants to Seller as of the date of this Agreement, and upon the Close of Escrow, as follows, all of which shall survive the Close of Escrow:

5.2.1 The person(s) signing this Agreement and any documents and instruments in connection herewith on behalf of Buyer have full power and authority to do so. This Agreement has been duly authorized and executed by Buyer, and upon delivery to and execution by Seller shall be a valid and binding agreement of Buyer.

5.2.2 There are no attachments, assignments for the benefit of creditors, receiverships, conservatorships or voluntary or involuntary proceedings in bankruptcy or any other debtor relief actions contemplated by Buyer or filed by Buyer, or to the best of Buyer's knowledge, pending in any current judicial or administrative proceeding against Buyer.

The material truth and accuracy of the foregoing representations and warranties shall be a condition of Seller's obligations hereunder. Prior to the Close of Escrow, Buyer shall notify Seller of any facts or circumstances which are contrary to the foregoing representations and warranties.

5.3 No Warranties. Except for those representations and warranties expressly set forth in this Agreement, the parties understand and acknowledge that no person acting on behalf of Seller is authorized to make, and by execution hereof Buyer acknowledges that no person has made any representations, agreement, statement, warranty, guaranty or promise regarding the Property or the transaction contemplated herein, or regarding the construction, development, physical condition, or other status of the Property. Without limiting the generality of the foregoing, Seller makes no representation or warranties with respect to the amount or types of fees required to obtain building permits or otherwise to rezone and develop the Property.

**ARTICLE VI
BUYER'S OBLIGATIONS AFTER THE CLOSE OF
ESCROW**

6.1 Buyer's Obligations After the Close of Escrow.

6.1.1 Buyer shall comply with all zoning, planning, and building laws, regulations and procedures imposed by the City and any other public and/or quasi-public entity, as well as adhering to the Citywide Design Guidelines.

6.1.2 Buyer shall commence construction of the Project no later than sixty (60) days after Close of Escrow in accordance with the Entitlements, subject to Permitted Delays (as defined below). A "**Permitted Delay**" shall be any delays due to war, terrorism, invasion, insurrection, sabotage, inability to procure or general shortage of labor, equipment, facilities, materials or supplies in the open market, failure of transportation, strikes or other labor disturbances, walk-outs, bankruptcy of any contractor being utilized by Buyer, riots, floods, earthquakes, fires, casualties, acts of God, adverse weather, judicial decisions, any act or failure to act by Sellers or Sellers' representatives, or any similar basis for excused performance which is not within the reasonable control of Buyer. Failure to commence construction or start grading as required herein shall result in the payment of a Five Hundred Dollar (\$500) per diem penalty by Buyer to the Seller for failure to commence construction within sixty (60) days from the Close of Escrow. Notwithstanding the foregoing, upon mutual written agreement of the parties, the construction commencement deadline may be extended for up to three (3) months.

6.1.3 Buyer shall complete construction of the Project within twenty-four (24) months following the commencement of construction, subject to Force Majeure delays. Substantial completion of construction shall be signaled by the issuance of a Temporary Certificate of Occupancy. Failure to substantially complete construction as required herein shall result in the payment of a Five Hundred Dollar (\$500) per diem penalty by Buyer to the Seller for failure to substantially complete construction within twenty-four (24) months from the commencement of construction. Notwithstanding the foregoing, upon mutual written agreement of the parties, the construction commencement deadline may be extended for up to three (3) months.

6.1.4 Buyer shall comply with all design standards, zoning, planning and building laws, housing security, property maintenance, regulations and review procedures imposed with respect to the Property by the City of Riverside, and any other public and/or quasi-public entity.

6.1.5 Local Hiring Compliance

6.1.5.1 Buyer shall comply with all provisions of Successor Agency Resolution No. 45 during construction of the Project. Buyer shall make good faith efforts to employ qualified local individuals in sufficient numbers so that no less than thirty (30) percent of the workforce, measured in labor hours, is comprised of local individuals for the construction of the Project.

6.1.5.2 **“Local individual”** shall mean an individual with a permanent residence within a 20-mile radius of the center of the City of Riverside.

6.1.5.3 **“Good faith efforts”** includes, but is not limited to: (1) Contacting and engaging local hiring halls and reputable recruitment sources, such as the American Jobs Center, to identify qualified local individuals; (2) Advertising available jobs in trade papers and newspapers of general circulation within the City of Riverside; (3) Providing ongoing assistance to local individuals in completing job application forms; (4) Conducting or participating in a job application workshop within the City of Riverside to assist the community in applying and interviewing for jobs in the contracting industry; (5) Conducting job interviews within 20 miles of the real property; and (6) Any other means of obtaining employees who are local individuals that are reasonably calculated to comply with the goals of this section.

6.1.5.4 Reports. No less than semi-annually, beginning upon the date of the issuance of the first building permit for construction, Buyer shall submit to the CEDD, reports showing that either the thirty (30) percent local individuals hiring goal has been met, or that Buyer has made good faith efforts to reach that goal during the period covered by the report. Reports shall include the total number of employees hired, the total number of labor hours for the Project to date, the number local individuals hired, as defined in section 6.1.2.3, the total number of labor hours completed by local individuals, the name and address of each local individual hired, and the occupation or trade of each local individual hired. All reports shall be signed by Buyer under penalty of perjury.

Buyer shall have the right to determine the competency of all individuals hired, the number of employees required, the duties of such employees within their occupation, and shall have the right to reject an applicant for any reason; however, Buyer shall exercise this right in good faith and not for the purpose of avoiding the provisions of this section. Buyer shall retain records documenting reasons for rejection of local applicants and make them available for review by the City of Riverside upon request.

6.1.5.5 Nothing in this section shall preclude Buyer from advertising regionally or nationally for employees in addition to its local outreach efforts.

6.1.5.6 The provisions of this section shall apply to the construction of the Project until the final certificate of occupancy for the Project has been issued by the City of Riverside.

6.2 Seller’s Obligations After Close of Escrow.

6.2.1 Seller shall furnish Buyer with a **“Release of Construction Covenants”** upon completion of the Project, which shall be in such form as that attached hereto as Exhibit “H” and incorporated herein by this reference, as to permit it to be recorded in the Riverside County Recorder’s Office.

ARTICLE VII DEFAULTS

7.1 **Default.** A party shall be deemed in default hereunder if any of the warranties or representations set forth herein are or become untrue or if it fails to meet, comply with, or perform any covenant, agreement, or obligation on its part required within the time limits and in the manner required in this Agreement for any reason other than a default by the other party hereunder or termination of this Agreement prior to Close of Escrow.

7.2 **Opportunity to Cure.** No act, failure to act, event or circumstance which might be deemed to be a default by either party shall be deemed to be a default under any of the provisions of this Agreement, unless and until, notice thereof is first given by the non-defaulting party to the party alleged to be in default and said party fails to commence to cure the alleged default within thirty (30) calendar days in the case of a non-monetary default (or, if the event of default is such that cannot be cured within thirty (30) calendar days, the party shall be entitled to commence the cure within such time and thereafter diligently prosecute it to completion), or fifteen (15) calendar days in the case of a monetary default.

7.3 **Remedies.** If Buyer is deemed to be in default after the Due Diligence Period, Seller shall be entitled to (a) the Deposit, including interest, if any, which shall be forthwith delivered to Seller by Escrow Holder on the receipt of the notice from Seller that Buyer has defaulted under this Agreement and reasonable attorney's fees incurred by Seller and/or (b) termination of this Agreement.

7.4 **Right of Reverter for the Property.** In the event Buyer: (a) has not obtained all required permits and commenced construction on the Project no later than sixty (60) days after Close of Escrow; (b) has not completed construction of the Project within two (2) years after Close of Escrow; or (c) has informed the Seller by written notice that Buyer is either unable or has not elected to proceed with the Project, for any reason, then the City of Riverside shall have the right to cause the reversion of title to the Property to the City of Riverside for the original Purchase Price of the Property paid by the Buyer at the time of Close of Escrow as evidenced in a final escrow closing statement, less any amount provided as deposit. This right of reverter shall be included in the Grant Deed for the Property from the Seller to Buyer.

7.5 **Liquidated Damages. Local Hiring/Skilled and Trained Workforce Program Liquidated Damages.** Failure of Buyer to comply with the provisions of section 6.1.5 (Local Hiring Compliance) will result in damages being sustained by Seller. Such damages are, and will continue to be, impracticable and extremely difficult to determine. For each semi-annual report that Buyer fails to comply with sections 6.1.5, Buyer shall pay to Seller, the sum of Twenty-Five Thousand Dollars (\$25,000) for each violation. Execution of this Agreement shall constitute agreement by Seller and Buyer that said sum is the minimum value of the costs and actual damage caused by the failure of Buyer to comply. Such sum is liquidated damages and shall not be construed as a penalty and will be owed to the Seller upon Seller's notice to Buyer.

JA
JA

Buyer's Initials

J

Seller's Initials

ARTICLE VIII MISCELLANEOUS

8.1 **Exhibits.** All Exhibits annexed hereto are a part of this Agreement for all purposes.

8.2 **Assignability.** Buyer shall not voluntarily or by operation of law assign or transfer any right, interest or obligation hereunder without Seller's prior written consent, which consent shall not be unreasonably delayed or withheld by Seller. Notwithstanding the foregoing, Buyer shall have the right, without Seller's consent, to transfer Buyer's rights and interests under this Agreement to a joint venture, partnership or other entity, so long as either: (a) Buyer or its principal is involved in the day-to-day decision-making of such entity and retains an economic interest in such joint venture, partnership or other entity, or (b) such entity controls, is controlled by, or is under common control with an experienced residential housing developer. An assignment or transfer pursuant to this Section 8.2 shall not be effective unless and until the proposed assignee or transferee executes and delivers to the Seller an agreement in form reasonably satisfactory to Seller's legal counsel assuming the obligations of Buyer hereunder.

8.3 **Binding Effect.** This Agreement shall be binding upon and inure to the benefit of Seller and Buyer, and their respective successors, heirs and permitted assigns.

8.4 **Captions.** The captions, headings, and arrangements used in this Agreement are for convenience only and do not in any way affect, limit, amplify, or modify the terms and provisions hereof.

8.5 **Number and Gender of Words.** Whenever herein the singular number is used, the same shall include the plural where appropriate, and words of any gender shall include each other gender where appropriate.

8.6 **Notices.** All notices, terminations, waivers and other communications hereunder shall be in writing and shall be delivered personally or shall be sent by registered or certified United States mail or a nationally recognized, overnight courier service, postage prepaid, and addressed as follows:

If to Seller:

City of Riverside as Successor Agency to the
Redevelopment of the City of Riverside
Attn: Community & Economic Development Director
3900 Main Street
Riverside, California 92522
Phone: (951) 826-5374

With a copy to:
City of Riverside
Attn: City Clerk
3900 Main Street
Riverside, California 92522

If to Buyer: Grapevine Capital Investors I,
LLC 22287 Mulholland Hwy
PMB 443
Calabasas, California 91302
Attn: Jacob Acevedo, James Acevedo
Phone: (818) 356-5555
Email: jacob@grapevinedevelopment.com
james@grapevinedevelopment.com
dan@dmslawyer.com

With a copy to: MJW Investments, LLC
27702 Crown Valley Parkway, Suite D-4-197
Ladera Ranch, California 92694
Attn: Matthew J. Waken
Phone: (949) 710-6377
Via E-mail: matt@mwakenig.com

and to: Palmieri, Tyler, Wiener, Wilhelm & Waldron,
LLP 1900 Main Street, Suite 700
Irvine, California 92614
Attn: Stephen A. Scheck,
Esq. Phone: (949) 851-7221
Fax: (949) 825-5417
Via E-mail: sscheck@ptwww.com

Any notice in accordance herewith shall be deemed received when delivery is received or refused. Additionally, notices may be given by telephone facsimile transmission, provided that an original of said transmission shall be delivered to the addressee by personal delivery or by a nationally recognized overnight delivery service on the business day following such transmission. Telephone facsimiles shall be deemed delivered on the date of such transmission.

8.7 Governing Law and Venue. The laws of the State of California shall govern the validity, construction, enforcement, and interpretation of this Agreement. All claims, disputes and other matters in question arising out of or relating to this Agreement, or the breach thereof, shall be decided by proceedings instituted and litigated in the state court in the County of Riverside, and the parties hereby waive all provisions of law providing for a change of venue in such proceedings to any other county.

8.8 Entirety. This Agreement embodies the entire agreement between the parties and supersedes all prior written or oral agreements and understandings, if any, between them concerning the subject matter contained herein. There are no representations, agreements, arrangements, or understandings, oral or written, between the parties hereto, relating to the subject matter contained in this Agreement which are not fully expressed herein.

8.9 Amendments. This Agreement may be amended or supplemented only by written documents signed by the parties. Any amendment to reduce or modify the sales price

will require the prior approval of the Countywide Oversight Board.

8.10 Severability. If any of the provisions of this Agreement, or its application to any party or circumstance, is held to be illegal, invalid, or unenforceable under present or future laws, such provision shall be fully severable. This Agreement shall be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part of this Agreement and the remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance from this Agreement. In lieu of such illegal, invalid, or unenforceable provision, there shall be added automatically as a part of this Agreement, a provision as similar in terms to such illegal, invalid, or unenforceable provision as may be possible to make such provision legal, valid, and enforceable.

8.11 Further Acts. In addition to the acts and deeds recited herein and contemplated and performed, executed and/or delivered by Seller and Buyer, Seller and Buyer agree to perform, execute and/or deliver or cause to be performed, executed and/or delivered at the Close of Escrow or after the Close of Escrow any and all such further acts, deeds, and assurances as may be necessary to consummate the transactions contemplated herein.

8.12 Construction. No provision of this Agreement shall be construed in favor of, or against, any particular party by reason of any presumption with respect to the drafting of this Agreement; both parties, being represented by counsel, having fully participated in the negotiation of this instrument.

8.13 Time of the Essence. It is expressly agreed by the parties hereto that time is of the essence with respect to each and every provision of this Agreement.

8.14 Waiver of Covenants, Conditions or Remedies. The waiver by one party of the performance of any covenant, condition or promise, or of the time for performing any act under this Agreement shall not invalidate this Agreement nor shall it be considered a waiver by such party of any other covenant, condition or promise, or of the time for performing any other act required under this Agreement. The exercise of any remedy provided in this Agreement shall not be a waiver of any other remedy provided by law, and the provisions of this Agreement for any remedy shall not exclude any other remedies unless they are expressly excluded.

8.15 Nondiscrimination. The parties shall not discriminate on the grounds of race, religious creed, color, national origin, ancestry, age, physical or mental disability, medical conditions, including the medical condition of Acquired Immune Deficiency Syndrome (AIDS) or any condition related thereto, marital status, genetic information, gender, gender identity, gender expression, sex or sexual orientation, in connection with the performance of this Agreement. The parties further agree to conform to the requirements of the Americans with Disabilities Act in the performance of this Agreement.

8.16 Ratification. This Agreement is subject to the approval and ratification by the Successor Agency, Countywide Oversight Board and DOF. In the event either of these entities fail to approve this Agreement, there shall be no liability on the part of the Seller and

this Agreement shall become null and void and of no further force and effect.

8.17 CEQA Compliance. Buyer and Seller understand, acknowledge and agree that the close of this escrow is contingent upon compliance with the California Environmental Quality Act (“CEQA”). Both Parties agree to timely cooperate in the CEQA process.

8.18 Time References. Any references in this Agreement to time for performance of obligations or elapsed time shall mean consecutive calendar days, months, or years, as applicable, unless otherwise explicitly indicated herein. In the event that the day on which Buyer or Seller is required to take any action under the terms of this Agreement is not a business day, such action shall be taken on the next succeeding business day. Whenever notice, approval or disapproval must be given to Escrow Holder and Escrow Holder is closed on the last day for taking such action, then the parties shall have until 5:00 p.m. Pacific Time on the first following day Escrow Holder is open to take such action.

8.19 Counterparts. This Agreement may be executed in a number of identical counterparts. If so executed, each of such counterparts shall, collectively, constitute one original agreement. In making proof of this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

8.20 Digital and Counterpart Signatures. Each party to this Agreement intends and agrees to the use of digital signatures that meet the requirements of the California Uniform Electronic Transactions Act (Civil Code §§ 1633.1, et seq.), California Government Code § 16.5, and California Code of Regulations Title 2 Division 7 Chapter 10, to execute this Agreement. The parties further agree that the digital signatures of the parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures for purposes of validity, enforceability, and admissibility. For purposes of this section, a “digital signature” is defined in subdivision (d) of Section 16.5 of the Government Code and is a type of “electronic signature” as defined in subdivision (h) of Section 1633.2 of the Civil Code. This Agreement may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each certified or authenticated electronic copy of an encrypted digital signature shall be deemed a duplicate original, constituting one and the same instrument and shall be binding on the parties hereto.

[SIGNATURES ON NEXT PAGE.]

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date.

Seller:

THE CITY OF RIVERSIDE,
AS SUCCESSOR AGENCY TO THE
company REDEVELOPMENT AGENCY OF
THE CITY OF RIVERSIDE, a public entity

By: _____

Mike Futrell
Executive Director for
the Successor Agency to the
Redevelopment Agency of the
City of Riverside

ATTESTED TO:

By: _____

Donesia Gause
City Clerk, on behalf of
The Successor Agency to the
Redevelopment Agency of the
City of Riverside

APPROVED AS TO FORM:

By: Susan Wilson
Susan Wilson (Dec 22, 2025 07:47:20 PST)

Successor Agency General Counsel

Buyer:

GRAPEVINE CAPITAL INVESTORS I,
LLC, a California limited liability

By: James Acevedo
James Acevedo (Dec 18, 2025 17:41:49 PST)

Name: James Acevedo

Title: President

and

By: _____

Name: _____

Title: _____

EXHIBIT “A”
LEGAL DESCRIPTION
(Inserted behind this page)

EXHIBIT "A"
LEGAL DESCRIPTION

Address: 2731 - 2871 University Avenue
APN'S: 211-131-021, -022, -023, -024, -032, -026, -031

That certain real property located in the City of Riverside, County of Riverside, State of California, described as follows:

PARCEL 1 – APN 211-131-021 – 2731 University Avenue

Lot 24 and Lot 25 of White's Addition to Riverside, as shown by map on file in Book 6, Page 48 of Maps, Records of San Bernardino County, California.

EXCEPTING THEREFROM the Southwesterly 10.50 feet of said Lot 24 and said Lot 25.

Area – 18,540 S.F. more or less

PARCEL 2 – APN 211-131-022 – 2771 University Avenue

Lot 26 of White's Addition to Riverside, as shown by map on file in Book 6, Page 48 of Maps, Records of San Bernardino County, California.

EXCEPTING THEREFROM the Southwesterly 10.50 feet of said Lot 26.

Area – 9,270 S.F. more or less

PARCEL 3 – APN 211-131-023 – 2791 University Avenue

Lot 27 of White's Addition to Riverside, as shown by map on file in Book 6, Page 48 of Maps, Records of San Bernardino County, California.

EXCEPTING THEREFROM the Southwesterly 10.50 feet of said Lot 27.

Area – 9,270 S.F. more or less

PARCEL 4 – APN 211-131-024 – 2811 University Avenue

Lot 28 of White's Addition to Riverside, as shown by map on file in Book 6, Page 48 of Maps, Records of San Bernardino County, California.

EXCEPTING THEREFROM the Southwesterly 10.50 feet of said Lot 28.

Area – 9,270 S.F. more or less

PARCEL 5 – APN 211-131-032 – 2831 University Avenue

Lot 29 of White's Addition to Riverside, as shown by map on file in Book 6, Page 48 of Maps, Records of San Bernardino County, California.

EXCEPTING THEREFROM the Southwesterly 10.50 feet of said Lot 29 as conveyed to the City of Riverside by Grant Deed recorded November 17, 1989, as Instrument No. 404230 of Official records of Riverside County, California.

Area – 9,270 S.F. more or less

PARCEL 6 – APN 211-131-026 – 2851 University Avenue

Lot 30 of White's Addition to Riverside, as shown by map on file in Book 6, Page 48 of Maps, Records of San Bernardino County, California.

EXCEPTING THEREFROM the Southwesterly 10.50 feet of said Lot 30.

Area – 9,270 S.F. more or less

PARCEL 7 – APN 211-131-031 – 2871 University Avenue

Lot 31 and Lot 32 of White's Addition to Riverside, as shown by map on file in Book 6, Page 48 of Maps, Records of San Bernardino County, California.

EXCEPTING THEREFROM those portions of said Lots 31 and 32 conveyed to the City of Riverside by Grant Deed recorded October 30, 1981, as Instrument No. 204583 of Official Records of Riverside County California

Area – 16,248 S.F. more or less

This description was prepared by me or under my direction in conformance with the requirements of the Land Surveyors Act.

By:



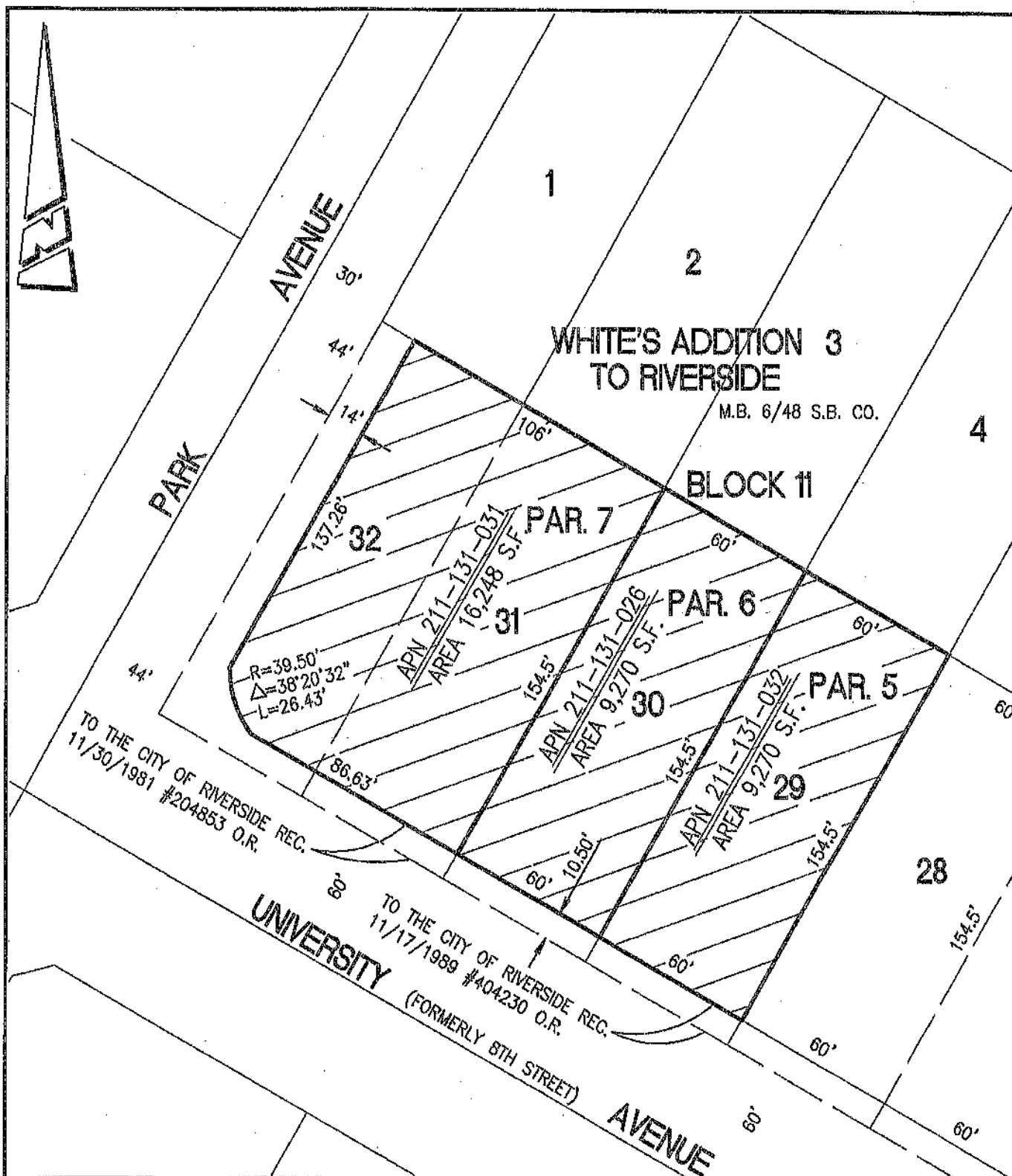
Eswin O. Vega, P.L.S. 9164

8/15/23
Date



**EXHIBIT “B”
PLAT MAP**

(Inserted behind this page)



• CITY OF RIVERSIDE, CALIFORNIA •

THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN.

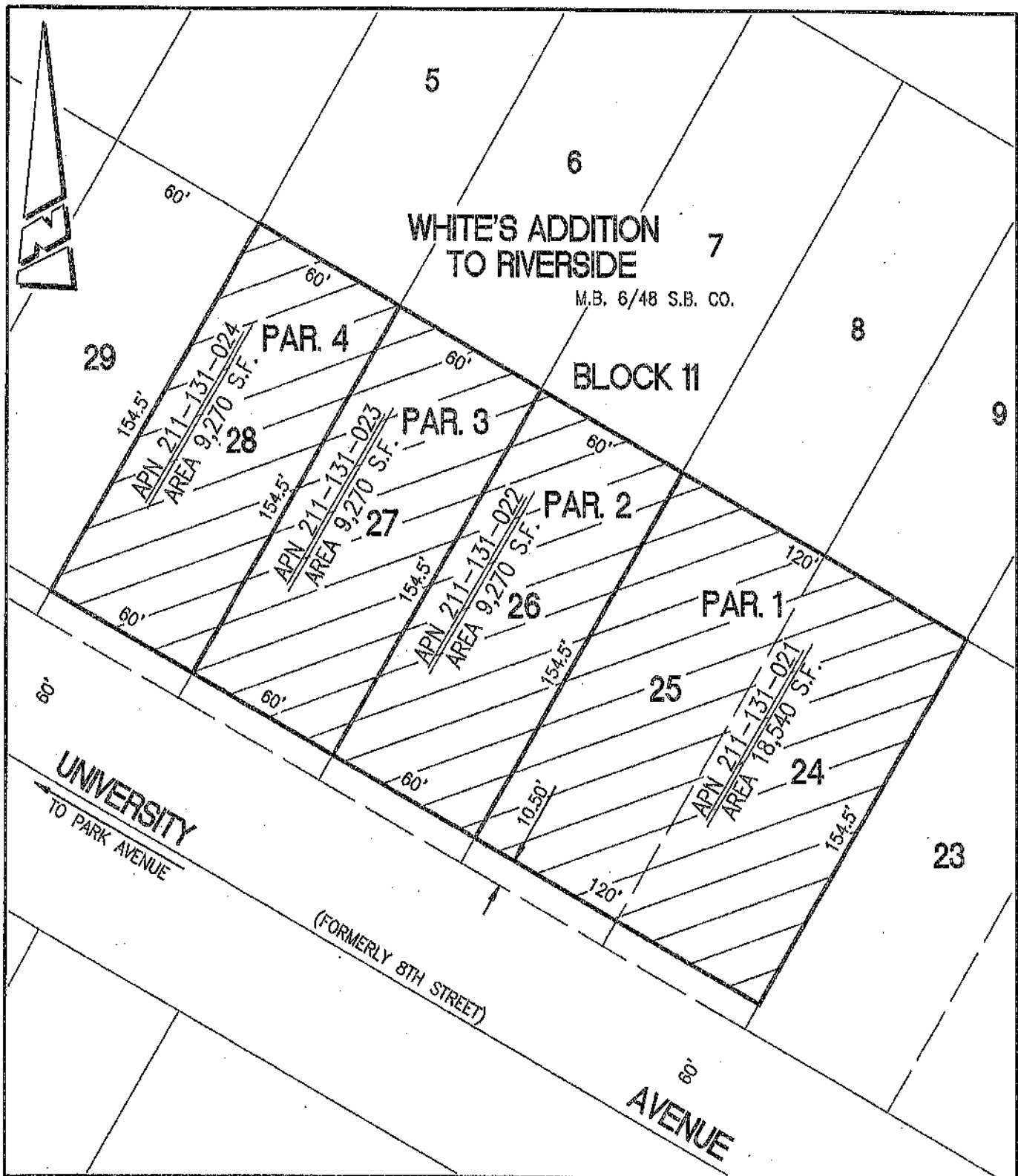
SHEET 1 OF 2

SCALE: 1"=50'

DRAWN BY: CURT

DATE: 6/21/23

SUBJECT: 2731 - 2871 UNIVERSITY AVENUE



• CITY OF RIVERSIDE, CALIFORNIA •

THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN.

SHEET 2 OF 2

SCALE: 1"=50'

DRAWN BY: CURT

DATE: 6/21/23

SUBJECT: 2731 - 2871 UNIVERSITY AVENUE

EXHIBIT “C”
SCHEDULE OF PERFORMANCE BY BUYER

Task	Section	Timeline
Effective date	Intro	City Council approval and execution
Due Diligence	1.4	60 days from effective date
Open Escrow	2.2	10 days from effective date
Deposit	2.3	15 days from effective date
Non-refundable deposit	2.3	60 days from effective date
Planning Application	2.4	90 days from effective date
Obtain entitlements	2.4.2(a)	24 months from effective date
Provide proof of financing	2.4.2(b)	24 months from effective date
Close of escrow	3.1	24 months from effective date
Begin construction	6.1.2	60 days after close of escrow
Complete construction	6.1.3	24 months after close of escrow

Notes

- (1) Close of Escrow Earliest 30 days after Entitlement Approval Date
- (2) Close of Escrow Latest 36 months after Effective Date
- (3) Start of Construction 30 days following issuance of first construction permit

All days are calendar days.

**EXHIBIT “D”
SUBMITTAL REQUIREMENTS**

(Inserted behind this page)

EXHIBIT “D”

APPLICATION INFORMATION



Community & Economic
Development Department
Planning Division

3900 Main Street, 3rd Floor • Riverside, CA 92522
(951) 826-5800
RiversideCA.gov/Planning

DEVELOPMENT APPLICATION INFORMATION

Welcome to the City of Riverside Development Review process. It is our goal to assist you in processing your application as quickly and efficiently as possible. Many of our application requests can be processed at an administrative level, such as variances and minor conditional use permits, while other, such as conditional use permits, site plan reviews or legislative actions require public hearings before the Planning Commission and/or City Council.

The City of Riverside project entitlement process consists of two phases, the Application Phase and the Public Hearing Phase as outlined below. The filing deadlines for each phase are available on-line or at the Planning Counter. Planners are also available to help you at the Planning Counter, via e-mail at CEDDInfo@riversideca.gov or by calling (951) 826-5371.

PROCEDURES

APPLICATION PHASE

City staff reviews an application to ensure that all of the required information is provided and evaluates the project including a preliminary review of the project's impact on the environment to establish the proper environmental documentation for the project. At the end of this 21-day review period, the applicant will be invited to meet with the Development Review Committee to review comments or issues raised by the various departments. The following week, staff provides written comments identifying deficiencies that need to be address or deeming the project "complete" to move onto the next phase of review. If the application is complete, you will be provided with a tentative date to return to the Development Review Committee for final action or a tentative hearing date for the Planning Commission or City Council. Some applications may require subsequent Application Phase periods to review changes to the revised application.

PUBLIC HEARING PHASE (IF APPLICABLE)

Once the application phase is complete, staff schedules the application for a hearing before the Planning Commission or City Council. This process usually takes 7 weeks. At this time, staff also conducts the final environmental review in compliance with the California Environmental Quality Act. For more complex environmental review cases, the documentation is done prior to entering the Public Hearing Phase. All legal noticing is prepared as required by state law and the hearing is scheduled. There are very minor or no plan changes during this phase. Staff prepares the staff report and a copy of the staff report is sent to you the week prior to the public hearing.

FILING FEES

See current Fee Schedule (filing fees are generally non-refundable). Additional fees may be required to be submitted PRIOR to scheduling a project for hearing. Check with the Planning Division for current fees.

[https://riversideca.gov/cedd/sites/riversideca.gov/cedd/files/pdf/planning/forms/2023/DEVELOPMENT%
APPLICATION%20INFORMATION](https://riversideca.gov/cedd/sites/riversideca.gov/cedd/files/pdf/planning/forms/2023/DEVELOPMENT%20APPLICATION%20INFORMATION)

**EXHIBIT “E”
REGULATORY AGREEMENT**

(Inserted behind this page)

AUTHORITY REGULATORY AGREEMENT

RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO:)
)
Housing Authority of the City of Riverside)
3900 Main Street)
Riverside, CA 92522)
Attn: Executive Director)
)
Project: 2882 Mission Inn Avenue)
APN: 211-131-001)
2731-2871 University Avenue)
APN: 211-131-021, -022, -023,)
-024, -026, -031 and -032)

(Space above for Recorder's Use Only)

This document is exempt from the payment of a recording fee pursuant to Government Code Section 27383.

REGULATORY AGREEMENT

THIS REGULATORY AGREEMENT ("Regulatory Agreement") is entered into the ____ day of _____, _____, by and between the HOUSING AUTHORITY OF THE CITY OF RIVERSIDE, a public body corporate and politic ("Authority") and GRAPEVINE CAPITAL INVESTORS I, LLC, a California limited liability company ("Developer").

RECITALS

Capitalized terms used in these recitals and not otherwise defined shall have the meaning set forth in Section 1 of this Regulatory Agreement.

A. The Authority is a public body corporate and politic established by action of the City Council of the City of Riverside pursuant to Resolution No. 21275 for the purpose of providing affordable housing opportunities through a variety of programs within the City of Riverside and exercising governmental functions and powers pursuant to the California Housing Authorities Law (Health & Safety Code § 34200, *et seq.*, "Housing Authority Law").

B. The Authority has established certain sources of funding for the purpose of increasing, improving and preserving the community's supply of housing available to low and moderate income households at an affordable housing cost.

C. In furtherance of the Authority's affordable housing goals and activities, Authority and Developer have entered into that certain Disposition and Development Agreement dated _____, 2025 ("Disposition Agreement"), which is incorporated herein by this reference and a copy of which is on file as public record of the Authority at its offices located at 3900 Main Street, Riverside, CA 92522. Pursuant to the Disposition Agreement, the Authority has agreed to provide financial assistance to Developer by way of a write-down of the purchase price ("Authority Assistance") for the acquisition of certain real property located at 2882 Mission Inn Avenue within the City of Riverside and further identified as Assessor Parcel No. (APN) 211-131-001 ("Site") for

the construction of the Site and the development of ten (10) rental units and any improvements appurtenant thereto (“Project”).

D. The City of Riverside as Successor Agency to the former Redevelopment Agency of the City of Riverside (the “Successor Agency”) owns certain real property, located at 2731-2871 University Avenue, Riverside, California, identified as Assessor’s Parcel Numbers 211-131-021, -022, -023, -024, -026, -031 and -032, totaling approximately 1.9 acres (the “SA Parcel”). The Project includes and extends across the SA Parcel, which is subject to a certain Purchase, Sale and Development Agreement dated for identification purposes only as of _____, _____. The Site and the SA Parcel are referred to collectively herein as the “Project Site”.

E. As a condition to the disbursement of the Authority Assistance, the Developer has agreed to maintain and operate the Project in accordance with certain covenants, conditions and restrictions as set forth in this Regulatory Agreement. This Regulatory Agreement is intended to ensure that Developer, its successors, its assigns and every successor in interest to the Site or any part thereof, shall use, maintain and operate the Project in accordance with the terms and conditions of this Regulatory Agreement, including that the Units shall be available only to Qualified Households at Affordable Rent as specified herein for not less than fifty-five (55) years.

F. The provision of the Authority Assistance to Developer and the completion and operation of the Project pursuant to the terms and conditions of the Disposition Agreement and this Regulatory Agreement are in the vital and best interest of the City and the health, safety and welfare of its residents, and are in accord with the public purposes and provisions of applicable state and local laws, including (without limitation) the Authority’s replacement and inclusionary housing obligations pursuant to Section 33413 of the Community Redevelopment Law.

NOW, THEREFORE, the foregoing recitals are a substantive part of this Regulatory Agreement and in consideration of their mutual covenants and conditions, the Parties hereto agree as follows:

1. DEFINITIONS

The following terms of this Regulatory Agreement shall have the meanings set forth below. Any capitalized terms not defined below shall have the meaning set forth therefor in the Disposition Agreement and attachments thereto:

“Affordable Rent” means the amount of monthly rent, including a reasonable utility allowance, that does not exceed the lesser of the maximum allowable rent to be charged by Developer and paid by Qualified Households, as the case may be, occupying the Affordable Units, as determined pursuant to (i) any applicable Tax Credit Regulatory Agreement, (ii) Section 50053 of the Health & Safety Code or any successor statute (iii) applicable regulations pursuant to any other source of financing secured for, and continuing to be secured by, the Project, or (iv) if applicable, any effective Section 8 Program regulations as to any Affordable Unit designated as a project-based Section 8 unit or otherwise occupied by a holder of a Rental Voucher or Rental Certificate evidencing participation in the Section 8 Program. For purposes of calculating Affordable Rent a “reasonable utility allowance” shall be the allowance established by the Tax Credit Rules or such lesser allowance reasonably permitted by the Authority.

“Affordable Units” means the ten (10) residential dwelling units within the Project to be constructed and operated by the Developer on the Project Site, in accordance with the terms and conditions of this Regulatory Agreement.

“Affordability Period” means the period commencing upon the recordation of the Release of Construction Covenants and terminating on the fifty-fifth (55th) anniversary thereof.

“Authority” means the Housing Authority of the City of Riverside, a public body, corporate and politic, exercising governmental functions and powers and organized and existing under Chapter 2 of the Community Redevelopment Law and an express third party beneficiary to this Regulatory Agreement pursuant to Section 10 hereof.

“City” means the City of Riverside, a California municipal corporation.

“Community Redevelopment Law” means California Health & Safety Code 33000, *et seq.*

“Developer” is defined in Section 1.1 of the Agreement.

“Displaced Persons” means any individual, partnership, limited partnership or association who is temporarily or permanently displaced from the Site due to the implementation of the Project and the Disposition Agreement and who qualify as a “displaced person” pursuant to the definition provided in the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, 42 U.S.C. Section 4601(6) and in Government Code Section 7260(c) of the California Relocation Assistance Act of 1970, as amended from time to time.

“Disposition Agreement” means that certain Disposition and Development Agreement dated for identification purposes only as of as of _____, _____, entered into by and between the Authority and Developer. Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Disposition Agreement.

“Effective Date” means the Effective Date of the Disposition Agreement.

“Environmental Laws” means any and all present and future federal, state and local laws (whether under common law, statute, ordinance, rule, regulation or otherwise), court or administrative orders or decrees, requirements of permits issued with respect thereto, and other requirements of governmental authorities relating to the environment or to any Hazardous Substance or Hazardous Substance Activity (including, without limitation, the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (42 U.S.C. §§ 9601, *et seq.*), as heretofore or hereafter amended from time to time (“CERCLA”), and the applicable provisions of the California Health and Safety Code and the California Water Code, and any and all successor statutes and regulations, orders, decrees, guidelines, or pronouncements promulgated thereunder).

“Event of Default” means the failure of a party to perform any action or covenant required by this Regulatory Agreement within the time periods provided herein following notice and opportunity to cure.

“Executive Director” means the Executive Director of the Authority or his/her designated representative.

“Governmental Regulations” means any local, state, and federal laws, ordinances, rules, requirements, resolutions, policy statements and regulations (including, without limitation, those

relating to land use, subdivision, zoning, environmental, labor relations, prevailing wage, notification of sale to employees, Hazardous Substance, occupational health and safety, water, earthquake hazard reduction and building and fire codes) bearing on the demolition, alteration, replacement, repair, refurbishing, rehabilitation, improvement, construction, maintenance, management, use, or operation of the Project.

“Hazardous Substance” means (i) any chemical, compound, material, mixture or substance that is now or hereafter defined or listed in the United States Department of Transportation Hazardous Materials Table (49 CFR 172. 10 1), as amended from time to time, or now or hereafter otherwise classified or regulated pursuant to any Environmental Laws as a “hazardous substance,” “hazardous material,” “hazardous waste,” “extremely hazardous waste,” “infectious waste,” “toxic substance,” “toxic pollutant” or any other formulation intended to define, list, or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity, or “EP toxicity,” (ii) any asbestos or asbestos containing material, (iii) any polychlorinated biphenyls (PCB’s), (iv) any urea formaldehyde, and (v) any petroleum, natural gas, natural gas liquid, liquefied natural gas, synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas), ash produced by a resource recovery facility utilizing a municipal solid waste stream, and drilling fluids, produced waters, and other wastes associated with the exploration, development or production of crude oil, natural gas, or geothermal resources. Notwithstanding the foregoing, “Hazardous Substances” shall not include any chemical, compound, material, mixture or substance used in the normal course of operating an apartment complex, so long as such chemical, compound, material, mixture or substance is used in accordance with Environmental Laws.

“Hazardous Substance Contamination” means contamination (whether presently existing or hereafter occurring) of the improvements, facilities, soil, groundwater, air or other elements on, in or of the Site by Hazardous Substance, or the contamination of the buildings, facilities, soil, groundwater, air or other elements on, in or of any other property as a result of Hazardous Substance at any time (whether before or after the Effective Date) emanating from the Site.

“Management Plan” means the plan for the management of the Project to be submitted by Developer, as set forth in Section 3.C. of this Regulatory Agreement.

“Marketing Plan” is defined in Section 5.A. of this Regulatory Agreement.

“Operating Expenses” is defined in Section 3.9 of the Authority Promissory Note.

“Operating Reserve” is defined in Section 3.E. of this Regulatory Agreement.

“Parties” Authority and Developer.

“Project” means the acquisition of the Site, the rehabilitation of the existing four-plex, and any improvements appurtenant thereto by the Developer upon the Site in accordance with the Project Entitlements.

“Property Manager” means the manager of the Project, as set forth in Section 3.C.

“Qualified Household” means a Qualified Low Income Household.

“Qualified Low Income Household” means a Household whose gross annual income does not exceed eighty percent (80%) of the Riverside County area median income adjusted for family

size as set forth from time to time by regulation of the California Department of Housing and Community Development.

“Relocation Laws” means the California Relocation Assistance Act, California Government Code Section 7260 *et seq.* and the implementing regulations thereto in 25 California Code of Regulations Section 6000 *et seq.*, any other applicable local, state, or federal regulations relating to the provision and administration of relocation assistance and benefits to eligible persons and households who are or may be temporarily or permanently displaced from the Site due to the implementation of the Project and this Regulatory Agreement.

“Request for Notice of Default” means a request for notice of default to be recorded against the Site substantially in the form shown in Attachment No. 12 to the Disposition Agreement.

“Schedule of Performance” means that certain Schedule of Performance of required actions attached to the Disposition Agreement as Attachment No. 4.

“Site” means that certain real property referenced in Recital D above as delineated on the Site Plan (Attachment No. 1 to the Disposition Agreement) and more particularly described in the Site Legal Description (Attachment No. 2 to the Disposition Agreement).

“Successor Agency” means the City of Riverside as the successor to the Former Redevelopment Agency of the City of Riverside.

“Units” means the sixty-four (64) residential dwelling units within the Project to be constructed and operated by the Developer on the Project Site, including the Affordable Units.

2. USE RESTRICTIONS

A. Permitted Uses.

Developer covenants and agrees for itself, its successors, its assigns and every successor in interest to the Project Site or any part thereof, that Developer, and such successors and assigns, shall (i) construct, use, maintain and operate the Project Site as a housing development containing not less than ten (10) Affordable Units; (ii) make available, restrict occupancy to, and rent at an Affordable Rent the Affordable Units to Qualified Low Income Households.

During the Affordability Period, all uses undertaken by Developer on the Project Site shall conform to this Regulatory Agreement and to all applicable provisions of the Riverside Municipal Code and Governmental Regulations. None of the Units on the Site shall at any time be utilized on a transient basis, nor shall the Project Site or any portion thereof ever be used as a hotel, motel, dormitory, fraternity or sorority house, rooming house, hospital, nursing home, sanitarium or rest home. Developer shall not convert the Affordable Units to condominium ownership during the Affordability Period without the prior written approval of Authority, which approval Authority may grant, withhold or deny in their sole and absolute discretion.

B. Affordable Housing. Except as provided herein below, commencing upon and throughout the Affordability Period, Developer covenants and agrees that all of the Affordable Units in the Project shall be operated and maintained for affordable housing purposes available for occupancy exclusively to Qualified Households at an Affordable Rent in accordance with the provisions of this Regulatory Agreement. It is the intent of the Authority that the Affordable Units

qualify as replacement housing and inclusionary housing pursuant to Section 33413 of the Community Redevelopment Law in furtherance of the Authority's affordable housing goals and objectives and the requirements resulting from anticipated projects including demolition and new construction in the City's redevelopment project areas and within the territorial jurisdiction of the Authority.

Developer agrees to make available, restrict occupancy to, and rent at an Affordable Rent to Qualified Low and Very Low Income tenants.

C. Income Requirements. Prior to leasing an Affordable Unit and annually thereafter, Developer shall certify the eligibility of each tenant applicant as Qualified Household. The Developer shall, upon request by Authority, complete such certification on forms provided by the Authority. Developer shall submit such income certification and such additional information as may be required in the future by Authority. Such supporting documentation shall include true copies of income tax returns from the tenant applicant for the most recent tax year in which a return was filed and at least one of the following:

- (1) two (2) paycheck stubs from the tenant's two (2) most recent pay periods;
- (2) an income verification certification from the tenant's employer;
- (3) an income verification certification from the Social Security Administration and/or the California Department of Social Services if the tenant receives assistance from such agencies, or
- (4) an alternate form of income verification reasonably requested by City or Authority if none of the above forms of verification is available to Developer.

D. Determination of Affordable Rent. All Affordable Units shall be rented at Affordable Rent.

(1) Rent Schedule and Utility Allowance. The Authority will establish maximum monthly allowances for utilities and services to be used by the Developer in calculating Affordable Rent. The Developer shall submit to the Housing Project Manager for review and approval the Affordable Rent proposed by Developer for all of the Affordable Units. The maximum monthly rent must be recalculated by Developer and reviewed and approved by the Authority annually.

(2) Increases in Tenant Income. The Affordable Units shall qualify as Affordable Units as required by this Regulatory Agreement despite a temporary noncompliance with this Section D, if the noncompliance is caused by increases in the incomes of existing tenants and if actions satisfactory to Authority are being taken to ensure that all vacancies are filled in accordance with this Section until the noncompliance is corrected. A Qualified Household that qualifies as a Qualified Household prior to occupancy of an Affordable Unit shall be deemed to continue to be so qualified until such time as recertification of such Qualified Household's income demonstrates that such Qualified Household no longer qualifies as a Qualified Household.

A Qualified Household occupying an Affordable Unit whose income increases to an amount that exceeds the maximum qualifying income may continue to occupy his or her Unit and be charged rent, including a reasonable utility allowance, equal to the lesser of (i) Affordable Rent for a Qualified Low Income Household; (ii) the maximum allowable rent determined pursuant to the

Tax Credit Regulatory Agreement; or (iii) applicable Section 8 rents if the Qualified Household receives Section 8 Program assistance.

(3) Adjustment of Affordable Rent. Affordable Rent may change as changes in the applicable gross rent amounts, the income adjustments, or the monthly allowance for utilities and services warrant. Any increase in rents is subject to the provisions of outstanding leases. Developer must provide Qualified Households occupying the Affordable Units not less than thirty (30) days' prior written notice before implementing any rent increase.

A. Tenant Protections.

(1) Rental Agreement/Lease. The Developer shall execute or cause to be executed a written rental agreement/lease with each Qualified Household occupying an Affordable Unit identifying by name all permitted occupants. The rental agreement/lease must be in a form reasonably approved by the Authority and must be for not less than six (6) months, unless otherwise mutually agreed by the tenant and the Developer.

(2) Prohibited Rental Agreement/Lease Terms. The rental agreement/lease shall not contain any of the following provisions:

- a. Agreement to be sued. Agreement by the tenant to be sued, to admit guilty, or to a judgment in favor of the Developer in a lawsuit brought in connection with the lease;
- b. Treatment of property. Agreement by tenant that the Developer may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the Affordable Unit after the tenant has moved out of the Affordable Unit. The Developer may dispose of this personal property in accordance with state law;
- c. Excusing Developer from responsibility. Agreement by the tenant not to hold Developer or Developer's agents legally responsible for any action or failure to act, whether intentional or negligent;
- d. Waiver of notice. Agreement of the tenant that the Developer may institute a lawsuit without notice to the tenant;
- e. Waiver of legal proceedings. Agreement by the tenant that the Developer may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;
- f. Waiver of a jury trial. Agreement by the tenant to waive any right to a trial by jury;

- g. Waiver of right to appeal court decision. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and
- h. Tenant chargeable with cost of legal actions regardless of outcome. Agreement by the tenant to pay attorneys' fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

F. Termination of Tenancy. The Developer may not terminate the tenancy of a tenant of the Project except for an uncured violation(s) of the terms and conditions of the lease; for violation of applicable federal, state, or local law; or for other good cause. Any termination or refusal to renew must be preceded by not less than thirty (30) days' notice by the Developer's service upon the tenant of a written notice specifying the grounds for the action.

G. Tenant Selection. Developer shall submit for the approval of the City a management and marketing plan for rental of all of the Affordable Units. Developer's marketing of the Affordable Units shall be in compliance with federal and state fair housing laws. The marketing plan, at a minimum, requires publicizing the availability of the Affordable Units within the City, such as notices in any City-sponsored newsletter, advertising in local newspapers, and notice in City offices. In the event the City implements a master waiting list for affordable housing in the City ("Master List"), then Developer shall provide notices to persons on the Master List of the availability of the Affordable Units, prior to undertaking other forms of marketing. Developer shall give the persons on the Master List not fewer than fifteen (15) days after receipt of such notice to respond by submitting application forms for rental of the Affordable Units. Selection of residents shall be made based upon the Master List, rather than on a first-come, first-serve basis. Provided, however, (i) all tenants of each Affordable Unit shall meet the income requirements set forth herein and tenancy and eligibility shall be in conformance with the terms and standards set forth in the management marketing plan and no preference may be used for the purpose or effect of delaying or otherwise denying admission to the Property or unit based on the race, color, ethnic origin, gender, religion, disability, or age of any member of an applicant household; and (ii) nothing herein shall restrict Developer from screening tenants through the application of criteria which is lawful and customary in apartment management in Riverside County and otherwise consistent with federal, state and local regulations and restrictions related to the financing for the Project.

H. Selection of Tenants. Developer must adopt written tenant selection policies and criteria approved Authority that are consistent with the purpose of providing housing for Qualified Households from Table 1 above, and that provide for the selection of tenants from written waiting list in chronological order of their application insofar as it practicable and the prompt written notification to any rejected applicant of the grounds for any rejection. Absent a Master List described above, selection of tenants shall be made randomly within the following levels of priority, rather than a first-come, first-serve basis:

(1) First Priority. Households which are displaced from their primary residence as a result of an action of City or Authority, a condominium conversion involving the household's residence, expiration of affordable housing covenants applicable to such residence, or closure of a mobile home or trailer park community in which the household's residence was located, and the household resided in such housing as the household's primary place of residence for at least two

years prior to such action or event.

(2) Second Priority. Households which meet one of the following criteria: (i) households which are displaced from their primary residence as a result of an action of City or Authority, a condominium conversion involving the household's residence, expiration of affordable housing covenants applicable to such residence, or closure of a mobile home or trailer park community in which the household's residence was located, and the household resided in such housing as the household's primary place of residence for at least one year but less than two years prior to such action or event; (ii) households with at least one member who resides within the City, as that person's primary place of residence; (iii) households with at least one member who works or has been hired to work within the City, as that person's principal place of full-time employment; or (iv) households with at least one member who is expected to live within the City as a result of a bona fide offer of employment within the City.

(3) Third Priority. Other Low Income Households who do not meet the criteria for first priority or second priority above.

I. Compliance with Use and Occupancy Laws. Developer agrees that for each lease, the Developer shall comply with all applicable state and local laws, statutes, ordinances, rules and regulations, which in any way restrict the use and occupancy and resale of the Project Site.

J. Nondiscrimination. There shall be no discrimination against or segregation of any person or group of persons, on account of race, color, creed, religion, sex, sexual orientation, gender, gender identity, gender expression, marital status, national origin, ancestry, disability or military and veterans status in the leasing, subleasing, transferring, use, occupancy, tenure, or enjoyment of any Affordable Unit nor shall the Developer establish or permit any such practice or practices of discrimination or segregation with reference to the location, subtenants, or vendees of any Affordable Unit or in connection with the employment of persons for the operation and management of the Site. All deeds, rental agreements, leases or contracts made or entered into by the Developer as to the Affordable Units or the Project Site or portion thereof, shall contain or be subject to substantially the following nondiscrimination or nonsegregation clauses:

1. In deeds: "The grantee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, gender, gender identity, gender expression, marital status, familial status, disability, national origin, ancestry or military and veterans status in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the land herein conveyed, nor shall the grantee himself or herself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, subleases or vendees in the land herein conveyed. The foregoing covenants shall run with the land."

2. In leases: "The lessee herein covenants by and for himself or herself, his or her heirs, executors, administrators and assigns, and all persons claiming under or through him or her, and this lease is made and accepted upon and subject to the following conditions:

"There shall be no discrimination against or segregation of any person or group of persons on account of race, color, creed, religion, sex, gender, gender identity,

gender expression, marital status, familial status, disability, ancestry, national origin or military and veterans status in the leasing, subleasing, transferring, use, occupancy, tenure or enjoyment of the premises herein leased nor shall the lessee himself or herself, or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subleases, subtenants or vendees in the premises herein leased.”

3. In contracts: “There shall be no discrimination against or segregation of, any person, or group of persons on account of race, color, creed, religion, sex, gender, gender identity, gender expression, marital status, familial status, disability, ancestry, national origin or military and veterans status, in the sale, lease, sublease, transfer, use, occupancy, tenure or enjoyment of the premises, nor shall the transferee himself or herself or any person claiming under or through him or her, establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use or occupancy of tenants, lessees, subtenants, subleases or vendees of the premises.”

The covenants established in this Regulatory Agreement shall, without regard to technical classification and designation, be binding for the benefit and in favor of Authority, its successors and assigns, Authority and any successor in interest to the Site, or any part thereof. The nondiscrimination covenants shall remain in effect in perpetuity.

K. No Nuisance. Developer shall not maintain, cause to be maintained, or allow to be maintained on or about the Site any public or private nuisance, including, without limitation, the conduct of criminal activities set forth in the nuisance abatement provisions of the Uniform Controlled Substances Act (Health & Safety Code Section 11570, *et seq.*) as currently exists or as may be amended from time to time, or the Street Terrorism Enforcement and Prevention Act (Penal Code Section 186.22, *et seq.*), as currently exists or as may be amended from time to time.

L. No Hazardous Material Activity. Developer shall not engage in any Hazardous Material Activity and shall comply with all Governmental Regulations in connection with the construction and operation of the Project.

In addition, Developer shall take all necessary precautions to prevent the release into the environment of any Hazardous Material which are located in, on or under the Project Site. Such precautions shall include compliance with all Governmental Regulations with respect to Hazardous Substance. In addition, Developer shall install and utilize such equipment and implement and adhere to such procedures as are consistent with commercially reasonable standards as respects the disclosure, storage, use, removal and disposal of Hazardous Substance. Notwithstanding the foregoing, this Regulatory Agreement shall not prohibit the use of such products in quantities as are customarily used in the construction, maintenance, rehabilitation or management of residential developments or associated buildings and grounds, or used in residential activities in a manner typical of other comparable residential developments, or substances commonly ingested by a significant population living within the Project including without limitation alcohol, aspirin, tobacco and saccharine.

3. OPERATION AND MANAGEMENT OF THE PROJECT

A. Compliance with Agreement. The Developer shall comply with all the terms and provisions of the Disposition Agreement and all applicable Governmental Regulations.

B. Taxes and Assessments. The Developer shall pay all real and personal property taxes, assessments and charges and all franchise, income, employment, withholding, sales, and other taxes assessed against it, or payable by it, at such times and in such manner as to prevent any penalty from accruing, or any lien or charge from attaching to the Site; provided, however, that the Developer shall have the right to contest in good faith, any such taxes, assessments, or charges. In the event the Developer exercises its right to contest any tax, assessment, or charge against it, Developer, on final determination of the proceeding or contest, shall immediately pay or discharge any decision or judgment rendered against it, together with all costs, charges and interest.

C. Operation and Management. Developer shall manage, operate and maintain the Project in first class condition and in accordance with professional property management standards for similar properties in the Southern California area and shall maintain or cause to be maintained the interiors and exteriors of the Units in a decent, safe and sanitary manner. The Units shall be maintained in accordance with the requirements of the City's Municipal Code and all applicable Governmental Regulations.

The parties acknowledge that Authority is interested in the long term management and operation of the Project and in the qualifications of any person or entity retained by the Developer for that purpose ("Property Manager"), including Developer as Property Manager. Prior to the disbursement of any proceeds of the Authority Loan, the Developer shall submit for the reasonable approval of the Authority, a detailed "Management Plan" which sets forth in detail the duties of the Property Manager, the tenant selection process, a security system and crime prevention program, the procedures for the collection of rent, the procedures for monitoring of occupancy levels, the procedures for eviction of tenants, the rules and regulations of the Project and manner of enforcement, a standard lease form, and other matters relevant to the management of the Project. The Developer may from time to time submit amendments and modifications to the Management Plan for the reasonable approval of the Authority. The management of the Project shall be in compliance with the approved Management Plan.

Developer may contract for property management services with an experienced and qualified property management entity (based upon the criteria set forth herein below) approved by Authority which approval shall not be unreasonably withheld. In the Event of Default by the Property Manager of the requirements set forth in this Regulatory Agreement, the Authority shall provide notice to Developer of such default and Developer shall use its best efforts to correct such default. Upon failure by the Property Manager and/or Developer to cure such default within thirty (30) days of written notice by the Authority, the Authority shall have the right to require Developer to immediately remove and replace the Property Manager with another property manager or property management company who is reasonably acceptable to Authority and who has not less than five (5) years' experience in property management, including experience managing multifamily residential developments of the size, quality and scope of the Project.

The fee paid to any Property Manager shall not exceed the reasonable and customary fees paid to such property managers for similar rental properties in Riverside County. Other fees and payments shall be consistent with prevailing market rates for the services performed and goods

provided in consideration for such fees and payments. The Developer shall ensure that the expenses of operating the Project do not materially exceed the budget which has been approved by the Authority. The Developer shall annually provide to the Authority a detailed accounting of operating expenses and shall make available its books and records to the Authority for inspection and copying, upon reasonable advance notice during its normal hours of business.

D. [intentionally omitted]

E. Reserve Requirements. Developer shall, or shall cause the Property Manager, if any, to, set aside not less than Two Hundred Dollars (\$250.00) per Affordable Unit in the Project per year or such greater amount established and required by TCAC or other permanent lender or investor subject to annual adjustment, if any, into a separate interest-bearing trust account (the "Capital Replacement Reserve"). The amount required to be placed into the Capital Replacement Reserve shall increase at the rate determined by the permanent lender or investor. Funds in the Capital Replacement Reserve shall be used for capital replacements to the Project fixtures and equipment which are normally capitalized under generally accepted accounting principles. The non-availability of funds in the Capital Replacement Reserve does not in any manner relieve the Developer of the obligation to undertake necessary capital repairs and improvements and to continue to maintain the Project in the manner prescribed herein. Not less than once per year, Developer, at its expense, shall submit to the City and the Authority an accounting for the Capital Replacement Reserve.

F. Operating Reserve. Developer shall not be required to set aside any Operating Reserves for this Project.

G. Record Keeping. Developer shall annually provide to Authority its Annual Financial Statement for the preceding year and shall make available its books and records to Authority for inspection and copying, upon reasonable advance notice during its normal hours of business. As a part of the monitoring and compliance with this Regulatory Agreement, Developer shall annually cause each Qualified Household occupying an Affordable Unit in the Project to complete an income certification in accordance with Section 2.C. of this Regulatory Agreement. Authority relies upon the information contained in such certifications to satisfy its reporting and record keeping requirements pursuant to the Community Redevelopment Law. In the event the Developer fails to submit to Authority all of the documentation required by this Regulatory Agreement, Developer shall be in default of this Regulatory Agreement. Upon failure by the Developer to cure such default within thirty (30) days of written notice by the Authority, the Authority may seek all available remedies as set forth in this Regulatory Agreement.

H. Right of Entry For Inspection. Representatives of Authority shall be entitled to enter the Project Site, upon at least forty-eight (48) hours' notice during normal business hours, to monitor compliance with this Regulatory Agreement, to inspect the records of the Project with respect to the Affordable Units, and to conduct an independent audit of such records. The Developer agrees to cooperate with Authority in making the Project Site available for such inspection. If for any reason Authority is unable to obtain the Developer's consent to such an inspection, the Developer understands and agrees that Authority may obtain at Developer's expense an administrative inspection warrant or other appropriate legal order to obtain access to such records. Developer agrees to maintain records in a business-like manner on the Site or in a location approved in writing by the

Director and to make such records available to Authority upon twenty-four (24) hours' notice. Unless Authority otherwise approves, such records shall be maintained throughout the Affordability Period.

4. OBLIGATION TO CONSTRUCT, MAINTAIN, REPAIR AND REBUILD

A. Construction Covenant. Developer covenants and agrees to complete the construction in accordance with the Disposition Agreement, including without limitation the Project Development and all approved plans, drawings, documents and permits issued by the City and/or other governmental agency exercising jurisdiction over the Project.

(1) Labor Standards. The Developer shall comply with all applicable federal and state labor standards.

(2) Compliance with Governmental Regulations. Developer shall carry out the design, construction and operation of the Project in conformity with applicable Governmental Regulations, including without limitation, all applicable labor standards, the City zoning and development standards, building, plumbing, mechanical and electrical codes, and all other provisions of the City Municipal Code, and all applicable disabled and handicapped access requirements, including without limitation the Americans With Disabilities Act, 42 U.S.C. Section 12101, *et seq.*, as currently exists or as may be amended from time to time, Government Code Section 4450, *et seq.*, as currently exists or as may be amended from time to time, Government Code Section 11135, *et seq.*, as currently exists or as may be amended from time to time, and the California Building Standards Code, Health and Safety Code Section 18900, *et seq.* as currently exists or as may be amended from time to time.

B. Schedule of Performance. Developer covenants and agrees to commence the Project and to diligently prosecute to completion the Project in accordance with the Schedule of Performance (Attachment No. 4 to the Disposition Agreement). Before commencement of development of the Project, Developer shall secure or cause to be secured any and all permits and permit ready letters which may be required by the City or other governmental agency affected by such work. Upon satisfactory completion of the construction of the Project as determined by the Authority and upon written request therefor by the Developer, the Authority shall record the Release of Construction Covenants releasing the Developer from the covenant to construct set forth above.

C. Maintenance and Replacement. Except for the normal wear and tear, the Developer shall, at its sole cost and expense, maintain and repair the Project Site keeping the same in first class condition and in a safe, decent and sanitary condition, including the Units, walkways, driveways and landscaping, and from time to time make all necessary and proper repairs, renewals and replacements as they may be required by this Regulatory Agreement and by all applicable Municipal Code and Uniform Code provisions. Developer shall manage and maintain the Project in accordance with all applicable housing quality standards and local code requirements, concerning marketing, operation, maintenance, repair, security, rental policy and method of selection of tenants.

D. Interior Maintenance. Developer shall maintain the interior of buildings, including carpet, drapes and paint, in clean and habitable condition.

E. Exterior Building Maintenance. All exterior, painted surfaces shall be maintained at all times in a clean and presentable manner, free from chipping, cracking and defacing marks. All graffiti and defacement of any type, including marks, words and pictures must be removed and any

necessary painting or repair completed within seventy-two (72) hours of their creation or within seventy-two (72) hours after notice to Developer.

F. Landscaping. All landscaped parcels and all front and side-yard setback areas that are not buildings, driveways or walkways shall be adequately and appropriately landscaped in accordance with minimum standards established by the City and shall be maintained in sound horticultural condition in accordance with the standards established by the City from time to time. No structure, improvement or other non-plant material shall be constructed or otherwise placed on the landscaped areas of the Project without prior written approval by the Director.

The following minimum standards shall apply to all landscaped areas of the Project: (1) lawn grasses shall not exceed six (6) inches in height; (2) hedges shall be trimmed; (3) no trees, shrubbery, lawns, and other plant life shall be dying from lack of water or other necessary maintenance; (4) no trees or shrubbery shall grow uncontrolled without proper pruning; (5) no vegetation shall be overgrown so as to be likely to harbor rats or vermin; (6) no dead, decayed or diseased trees, weeds and other vegetation shall be allowed. In addition to the foregoing, no yard areas shall be left unmaintained, including: (1) no broken or discarded furniture, appliances and other household equipment stored in yard areas for periods exceeding one (1) week; (2) no packing boxes, lumber, trash, dirt and other debris stored in yards for periods exceeding one (1) week in areas visible from public property or neighboring properties; (3) no unscreened trash cans, bins or containers stored for unreasonable periods in areas visible from public property or neighboring properties; and (4) no vehicles parked or stored in other than approved parking areas.

G. Right To Enter To Cure. If at any time the Developer fails to maintain the Site in accordance with this Section 4 and such condition is not corrected within twenty-four (24) hours after written notice from the Authority with respect to graffiti, debris, waste material, and general maintenance, or thirty (30) days after written notice from the Authority with respect to landscaping and building improvements with such additional time as may be reasonably necessary to diligently prosecute the cure to completion, then the Authority, in addition to whatever remedies it may have at law or at equity, shall have the right to enter upon the Site and perform all acts and work necessary to protect, maintain, and preserve the improvements and landscaped areas on the Site, and to attach a lien upon the Site, or to assess the Site, in the amount of the expenditures arising from such acts and work of protection, maintenance, and preservation by the Authority and/or costs of such cure, including a fifteen percent (15%) administrative charge, which amount shall be promptly paid by the Developer upon demand.

H. Damage and Destruction; Developer's Duty to Rebuild. If all or any portion of the Site and the improvements thereon is damaged or destroyed by fire or other casualty, it shall be the duty of the Developer, subject to the availability of funds, to rebuild, repair or construct said portion of the Site and/or the improvements in a timely manner which will restore it to Riverside Municipal or Building Code compliance condition as approved by the City and the Authority.

In furtherance of the requirements of this Section 4.H., Developer shall keep the improvements on the Site insured by carriers at all times satisfactory to the Authority against loss by fire, rent loss and such other hazards (other than earthquake), casualties, liabilities and contingencies as included within an all risk extended coverage hazard insurance policy in an amount of the full replacement cost of the improvements as required by the Disposition Agreement. In the event of loss, Developer shall give prompt notice to the insurance carrier and the Authority.

If the Site is abandoned by the Developer, or if Developer fails to respond to the Authority within thirty (30) days from the date notice is mailed by Authority to Developer that the insurance carrier offers to settle a claim for insurance benefits, Authority is authorized to collect and apply the insurance proceeds at its option either to restoration or repair of the Site or to the sums secured by the Authority Deed of Trust (as those terms are defined in the Disposition Agreement).

I. Time Limitation. Upon damage to the Site or the improvements thereon, the Developer shall be obligated to proceed with all due diligence hereunder and commence reconstruction within one year after the damage occurs and complete reconstruction within a term deemed acceptable by the parties after damage occurs, or if appropriate, to demolition and vacation of the Site within one year, unless prevented by causes beyond its reasonable control.

5. MISCELLANEOUS PROJECT REQUIREMENTS

A. Affirmative Marketing. Within the time specified therefor in the Schedule of Performance, Developer shall submit for the approval by Authority, which approval shall not unreasonably be withheld, a plan for marketing the rental of the Affordable Units (“Marketing Plan”). The Marketing Plan shall include a plan for publicizing the availability of the Units within the City in a manner which gives notice to Qualified Households currently living within the City before residents of other cities receive such notice, such as notices in any City sponsored newsletter, newspaper advertising in local newspapers and notices in City offices.

6. COVENANTS

A. Affordability Period. The provisions of this Regulatory Agreement shall apply to the Project Site throughout the Affordability Period. This Regulatory Agreement shall bind any successor, heir or assign of the Developer, whether a change in interest occurs voluntarily or involuntarily, by operation of law or otherwise, with or without the approval of Authority, except as expressly released by the Authority.

B. Covenants to Run with the Land. Authority and Developer hereby declare their express intent that the covenants and restrictions set forth in this Regulatory Agreement shall run with the land and shall bind all successors in title to the Project Site. Each and every contract, deed or other instrument hereafter executed covering or conveying the Project Site or any portion thereof shall be held conclusively to have been executed, delivered and accepted subject to such covenants and restrictions, regardless of whether such covenants or restrictions are set forth in such contract, deed or other instrument, unless Authority expressly releases such conveyed portion of the Project Site from the requirements of this Regulatory Agreement.

7. ENFORCEMENT AND REMEDIES

A. Remedies. Subject to the notice and cure rights of the Developer set forth in Section 8 of the Disposition Agreement, in the event of default or breach of any of the terms or conditions of this Regulatory Agreement by Developer, its heirs, executors, administrators or assigns, Authority may pursue the remedy thereof by any and all means of enforcement, both in equity and at law, as provided by the laws of the State of California, including, but not limited to, injunctive relief and/or specific performance.

B. Rights of the City. The City of Riverside has the right to enforce all of the provisions of this Regulatory Agreement. This Regulatory Agreement does not in any way infringe on the right or duties of the City to enforce any of the provisions of the Municipal Code including, but not limited to, the abatement of dangerous buildings. In addition to the general rights of enforcement, the City shall have the right, through its agents and employees, to enter upon any part of the Site for the purpose of enforcing the California Vehicle Code, and the ordinances and other regulations of the City, and for maintenance and/or repair of any or all publicly owned utilities.

C. Jurisdiction and Venue. Legal actions must be instituted and maintained in the Superior Court of the County of Riverside, State of California. Owner specifically waives any rights provided to it pursuant to California Code of Civil Procedure Section 394 or state statutes or judicial decisions of like effect.

D. Nuisance. The result of every act or omission whereby any of the covenants contained in this Regulatory Agreement are violated in whole or in part is hereby declared to be and constitutes a nuisance, and every remedy allowable at law or equity, against a nuisance, either public or private, shall be applicable against every such result and may be exercised by any owner or its successors in interest, without derogation of the Authority's rights under law.

E. Right of Entry. The Authority has the right of entry at reasonable hours after reasonable attempts to contact Developer, to effect emergency repairs or maintenance which the Developer has failed to perform. Subsequent to sixty (60) days' written notice to the Developer specifically outlining the noncompliance, the Authority shall have the right of entry at reasonable hours to enforce compliance with this Regulatory Agreement which the Developer has failed to perform.

F. Costs of Repair. The costs borne by the Authority of any such repairs or maintenance emergency and/or non-emergency, shall become a charge for which Developer shall be responsible; and may, if unpaid, be assessed as a lien against the Site.

G. Cumulative Remedies. The remedies herein provided for breach of the covenants contained in this Regulatory Agreement shall be deemed cumulative, and none of such remedies shall be deemed exclusive.

H. Failure to Enforce. The failure to enforce any of the covenants contained in this Regulatory Agreement shall not constitute a waiver of the right to enforce the same thereafter.

8. HOLD HARMLESS

Except to the extent of Authority's sole negligence, Developer agrees to defend and to hold Authority and its officers, agents, employees, representatives, elected and appointed boards and officials harmless from liability for damage or claims for any type of damage including, but not limited to, personal injury and claims for property damage, which may arise from the activities of Developer or those of Developer's contractors, subcontractors, agents, employees or other persons acting on Developer's behalf and which relate to the Project. Developer agrees to and shall defend Authority and its respective officers, agents, employees, representatives, elected and appointed boards and officials from any action for damages caused or alleged to have been caused by reason of Developer's activities in connection with the Project.

9. ASSIGNMENT OF AGREEMENT

This Regulatory Agreement shall be binding upon Developer, its executors, administrators and assigns and all persons claiming under or through Developer. Wherever this Regulatory Agreement employs the term “Developer,” it shall be deemed to include Developer, its executors, administrators and assigns and all persons claiming under or through Developer. Assignment of this Regulatory Agreement shall be limited to authorized assignees of the Disposition Agreement in compliance with Section 2 thereof.

10. THIRD PARTY BENEFICIARIES

This Regulatory Agreement is made and entered into for the sole protection and benefit of the Authority, its successors and assigns, and Developer, its permitted successors and assigns, and no other person or persons shall have any right of action hereon.

11. RECORDATION

Developer agrees that this Regulatory Agreement and any amendment or cancellation hereof shall be recorded in the official records of Riverside County by Developer within ten (10) days of the date of this Regulatory Agreement and within ten (10) days after any amendment or cancellation hereof.

12. NOTICE

Written notice, demands and communications between City, Authority and Developer shall be sent by first-class registered or certified mail, postage prepaid, return receipt requested, or by private courier service which provides evidence of delivery. Unless a different address is given by any party as provided in this Section, all such communications will be addressed as follows:

To Developer:	Grapevine Capital Investors I, LLC 22287 Mulholland Hwy PMB 443 Calabasas, California 91302 Attn: Jacob Acevedo, James Acevedo Phone: (818) 356-5555 jacob@grapevinedevelopment.com james@grapevinedevelopment.com
To Authority:	Housing Authority of the City of Riverside Attn: Executive Director 3900 Main Street Riverside, California 92522
Copies to:	City of Riverside Attn: City Clerk 3900 Main Street Riverside, California 92522

Any Notice shall be deemed received immediately if delivered by hand and shall be deemed received on the third day from the date it is postmarked if delivered by registered or certified mail. Each party shall promptly notify the other party of any change(s) of address to which notice shall be sent. Any address for service of notice on any party may be changed by that party serving a notice upon the other of the new address, except that any change of address to a post office box shall not be effective unless a street address is also specified for use in effectuating personal service.

13. WAIVER

Failure by a party to insist upon the strict performance of any of the provisions of this Regulatory Agreement by the other party or the failure by the party to exercise its rights under or upon a default by the other party herein shall not constitute a waiver of such party's right to demand strict compliance from such other party in the future.

14. SUBORDINATION

This Regulatory Agreement and the covenants contained herein shall be subordinate to the senior construction loan, and when converted into its permanent phase, permanent loan, and the regulatory agreement recorded in connection with any award of low-income housing tax credits.

15. SEVERABILITY

If any one or more of the provisions contained in this Regulatory Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Regulatory Agreement, and this Regulatory Agreement shall be construed as if such invalid, illegal or unenforceable provision(s) had never been contained herein.

16. CAPTION AND PRONOUNS

The captions and headings of the various sections of this Regulatory Agreement are for convenience only and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular, and masculine, feminine and neuter shall be freely interchangeable.

17. ATTORNEYS' FEES

In any action to interpret or enforce any provision of this Regulatory Agreement, the prevailing party shall be entitled to its costs and reasonable attorneys' fees.

18. MODIFICATION OF AGREEMENT

This Regulatory Agreement may be modified or amended by mutual consent of the Developer and Authority provided that all amendments are in writing and signed by all of the parties hereto.

19. SOLE AND ONLY AGREEMENT

This Regulatory Agreement, the Disposition and Development Agreement and all of the attachments thereto and incorporated therein integrate all of the terms and conditions mentioned herein or incidental hereto and supersedes all negotiations or previous agreements between the parties with respect to all or any part of the Site. In the event of a conflict between this Regulatory Agreement and Disposition Agreement, the provisions of this Regulatory Agreement shall control.

Authority and Developer acknowledge and agree that neither of them has made any representation with respect to the subject matter of this Regulatory Agreement or any representations inducing the execution and delivery, except representations set forth herein, and each party acknowledges that it has relied on its own judgment in entering this Regulatory Agreement. Authority and Developer further acknowledge that all statements or representations that heretofore may have been made by either of them to the other are void and of no effect, and that neither of them has relied thereon in its dealings with the other.

[SIGNATURES ON FOLLOWING PAGE.]

IN WITNESS WHEREOF, the parties hereto have executed this Regulatory Agreement as of the date and year set forth below.

“DEVELOPER”

GRAPEVINE CAPITAL INVESTORS I, LLC,
a California limited liability company

Dated: _____

By: _____

Name: _____

Its: _____

By: _____

Name: _____

Its: _____

“AUTHORITY”

HOUSING AUTHORITY OF THE CITY OF
RIVERSIDE, a public body, corporate and politic

Dated: _____

By: _____

Executive Director

ATTESTED TO:

By: _____

Authority Secretary

APPROVED AS TO FORM:

By: _____

Authority General Counsel

EXHIBIT “A”
LEGAL DESCRIPTION
[Attached]

EXHIBIT "A"
LEGAL DESCRIPTION

Address: 2731 - 2871 University Avenue
APN'S: 211-131-021, -022, -023, -024, -032, -026, -031

That certain real property located in the City of Riverside, County of Riverside, State of California, described as follows:

PARCEL 1 – APN 211-131-021 – 2731 University Avenue

Lot 24 and Lot 25 of White's Addition to Riverside, as shown by map on file in Book 6, Page 48 of Maps, Records of San Bernardino County, California.

EXCEPTING THEREFROM the Southwesterly 10.50 feet of said Lot 24 and said Lot 25.

Area – 18,540 S.F. more or less

PARCEL 2 – APN 211-131-022 – 2771 University Avenue

Lot 26 of White's Addition to Riverside, as shown by map on file in Book 6, Page 48 of Maps, Records of San Bernardino County, California.

EXCEPTING THEREFROM the Southwesterly 10.50 feet of said Lot 26.

Area – 9,270 S.F. more or less

PARCEL 3 – APN 211-131-023 – 2791 University Avenue

Lot 27 of White's Addition to Riverside, as shown by map on file in Book 6, Page 48 of Maps, Records of San Bernardino County, California.

EXCEPTING THEREFROM the Southwesterly 10.50 feet of said Lot 27.

Area – 9,270 S.F. more or less

PARCEL 4 – APN 211-131-024 – 2811 University Avenue

Lot 28 of White's Addition to Riverside, as shown by map on file in Book 6, Page 48 of Maps, Records of San Bernardino County, California.

EXCEPTING THEREFROM the Southwesterly 10.50 feet of said Lot 28.

Area – 9,270 S.F. more or less

PARCEL 5 – APN 211-131-032 – 2831 University Avenue

Lot 29 of White's Addition to Riverside, as shown by map on file in Book 6, Page 48 of Maps, Records of San Bernardino County, California.

EXCEPTING THEREFROM the Southwesterly 10.50 feet of said Lot 29 as conveyed to the City of Riverside by Grant Deed recorded November 17, 1989, as Instrument No. 404230 of Official records of Riverside County, California.

Area – 9,270 S.F. more or less

PARCEL 6 – APN 211-131-026 – 2851 University Avenue

Lot 30 of White's Addition to Riverside, as shown by map on file in Book 6, Page 48 of Maps, Records of San Bernardino County, California.

EXCEPTING THEREFROM the Southwesterly 10.50 feet of said Lot 30.

Area – 9,270 S.F. more or less


PARCEL 7 – APN 211-131-031 – 2871 University Avenue

Lot 31 and Lot 32 of White's Addition to Riverside, as shown by map on file in Book 6, Page 48 of Maps, Records of San Bernardino County, California.

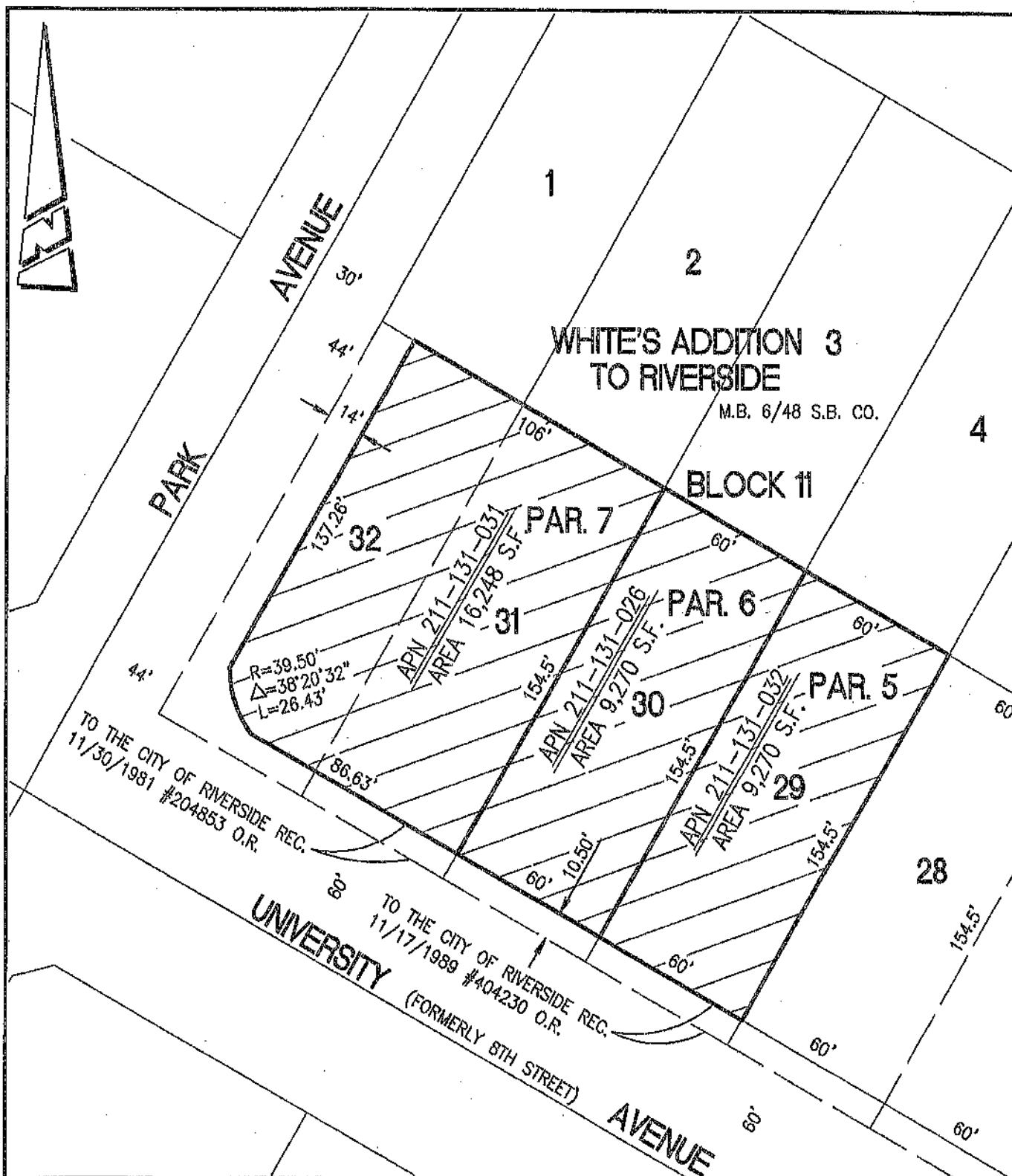
EXCEPTING THEREFROM those portions of said Lots 31 and 32 conveyed to the City of Riverside by Grant Deed recorded October 30, 1981, as Instrument No. 204583 of Official Records of Riverside County California

Area – 16,248 S.F. more or less

This description was prepared by me or under my direction in conformance with the requirements of the Land Surveyors Act.

By:  8/15/23
Eswin O. Vega, P.L.S. 9164 Date





• CITY OF RIVERSIDE, CALIFORNIA •

THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN.

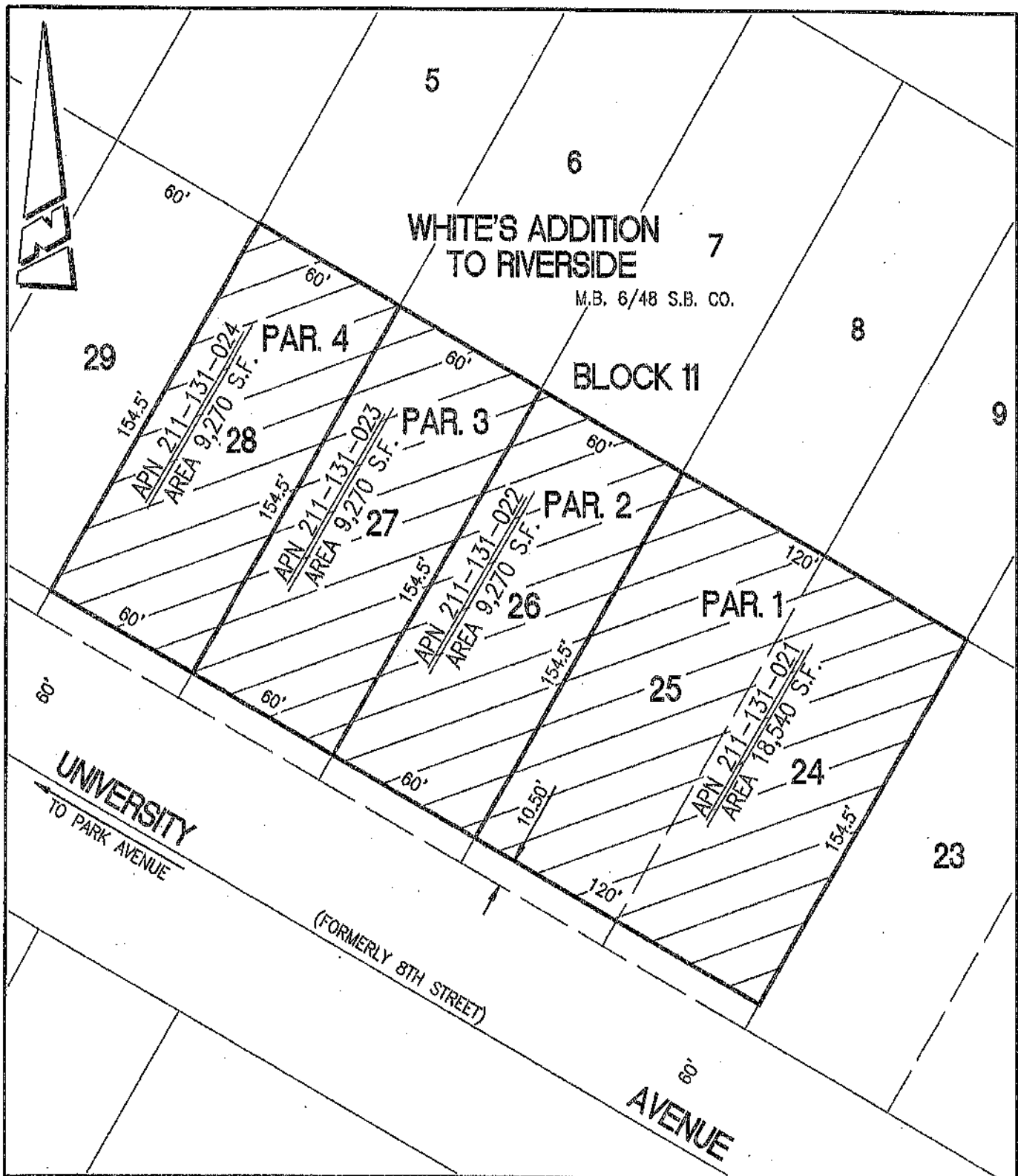
SHEET 1 OF 2

SCALE: 1"=50'

DRAWN BY: CURT

DATE: 6/21/23

SUBJECT: 2731 - 2871 UNIVERSITY AVENUE



• CITY OF RIVERSIDE, CALIFORNIA •

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SHEET 2 OF 2

SCALE: 1"=50'

DRAWN BY: CURT

DATE: 6/21/23

SUBJECT: 2731 - 2871 UNIVERSITY AVENUE

EXHIBIT “F”
NOTICE OF AFFORDABILITY RESTRICTIONS ON
TRANSFER OF PROPERTY

(Inserted behind this page)

NOTICE OF AFFORDABILITY RESTRICTIONS

RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO:)

City of Riverside)
3900 Main Street)
Riverside, CA 92522)

Attn: Executive Director of the Successor
Agency to the former Redevelopment Agency
of the City of Riverside)

Project: 2731-2871 University Avenue,)
APNs: 211-131-021, -022, -023, -024, -026,)
-031 and -032)

(Space above for Recorder's Use Only)

This document is exempt from the payment of a recording fee
pursuant to Government Code Section 27383.

DECLARATION OF RESTRICTIVE COVENANTS

This DECLARATION OF RESTRICTIVE COVENANTS (the "Restrictive Covenant"), is executed on this ____ day of _____ for reference purposes only, by the Successor Agency to the former Redevelopment Agency of the City of Riverside, a public entity, and its successors, assigns and transferees (the "Declarant"), with reference to the following facts:

RECITALS

- A. Declarant is the sole owner in fee simple of certain real property containing approximately 1.9 acres of unimproved land, located at certain real property located at 2731-2871 University Avenue, in the City of Riverside, County of Riverside, State of California, and known as Assessor's Parcel Numbers 211-131-021, -022, -023, -024, -026, -031 and -032 in the City of Riverside, County of Riverside, State of California, identified with Assessor's Parcel Number(s): 211-131-021, -022, -023, -024, -026, -031 and -032 ("Property") and as further described in Exhibit "A", attached hereto and incorporated herein by this reference.
- B. In anticipation of the disposal of the Property, Declarant complied with the provisions of the Surplus Land Act (California Government Code § 54220 *et seq.*) (the "Act").
- C. On _____, Declarant's Riverside City Council adopted Resolution No. _____, which, among other things, declared the Property as non-exempt surplus land pursuant to Section 54221(b)(1) of the Act.
- D. Thereafter, Declarant issued Notices of Availability of the Property to all entitled entities, and Declarant received no Notices of Interest within the statutory period of availability.

COVENANTS, TERMS, CONDITIONS, AND RESTRICTIONS

In consideration of the above recitals, Declarant hereby declares the Property shall be held, transferred, conveyed, leased, occupied, or otherwise disposed of and used subject to the following restrictive covenants:

If ten (10) or more residential units are developed on the Property, not less than (fifteen) 15 percent of the total number of residential units developed on the Property shall be sold or rented at affordable housing cost, as defined in Section 50052.5 of the California Health and Safety Code, or affordable rent, as defined in Section 50053 of the California Health and Safety Code, to lower income households, as defined in Section 50079.5 of the California Health and Safety Code. Rental units shall remain affordable to and occupied by lower income households for a period of 55 years for rental housing and 45 years for ownership housing. The initial occupants of all ownership units shall be lower income households, and the units shall be subject to an equity sharing agreement consistent with the provisions of paragraph (2) of subdivision (c) of 65915 of the California Government Code. These requirements shall be covenants or restrictions running with the land and shall be enforceable against any owner who violates a covenant or restriction and each successor-in-interest who continues the violation by any of the entities described in subdivisions (a) to (f), inclusive, of Section 54222.5 of the California Government Code.

No building permit shall be issued by the City with respect to any residential unit to be developed on the Property unless, prior thereto or concurrently therewith, building permits have been issued by the City with respect to all residential units developed on the property that will be sold or rented at affordable housing cost, as defined in Section 50052.5 of the California Health and Safety Code, or affordable rent, as defined in Section 50053 of the California Health and Safety Code, to lower income households, as defined in Section 50079.5 of the California Health and Safety Code.

No certificate of occupancy or equivalent shall be issued by the City with respect to any residential unit to be developed on the Property unless, prior thereto or concurrently therewith, certificates of occupancy or equivalent have been issued by the City with respect to all residential units developed on the Property that will be sold or rented at affordable housing cost, as defined in Section 50052.5 of the California Health and Safety Code, or affordable rent, as defined in Section 50053 of the California Health and Safety Code, to lower income households, as defined in Section 50079.5 of the California Health and Safety Code.

IN WITNESS WHEREOF, Declarant has executed this Restrictive Covenant the day and year first written above and agrees to be bound by the terms and provisions hereof.

“DECLARANT”
THE CITY OF RIVERSIDE AS SUCCESSOR
AGENCY TO THE FORMER
REDEVELOPMENT AGENCY OF THE CITY
OF RIVERSIDE, a
public entity

Dated: _____

By: _____
Mike Futrell

Its: Executive Director of the Successor Agency to
the former Redevelopment Agency of the City of
Riverside

ATTESTED TO:

By: _____
City Clerk on behalf of the City of Riverside as
the Successor Agency to the
former Redevelopment Agency of
the City of Riverside

APPROVED AS TO FORM:

By: _____
Successor Agency General Counsel

EXHIBIT “A”
LEGAL DESCRIPTION
[Attached]

EXHIBIT "A"
LEGAL DESCRIPTION

Address: 2731 - 2871 University Avenue
APN'S: 211-131-021, -022, -023, -024, -032, -026, -031

That certain real property located in the City of Riverside, County of Riverside, State of California, described as follows:

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Lot 24 and Lot 25 of White's Addition to Riverside, as shown by map on file in Book 6, Page 48 of Maps, Records of San Bernardino County, California.

EXCEPTING THEREFROM the Southwesterly 10.50 feet of said Lot 24 and said Lot 25.

Area – 18,540 S.F. more or less

PARCEL 2 – APN 211-131-022 – 2771 University Avenue

Lot 26 of White's Addition to Riverside, as shown by map on file in Book 6, Page 48 of Maps, Records of San Bernardino County, California.

EXCEPTING THEREFROM the Southwesterly 10.50 feet of said Lot 26.

Area – 9,270 S.F. more or less

PARCEL 3 – APN 211-131-023 – 2791 University Avenue

Lot 27 of White's Addition to Riverside, as shown by map on file in Book 6, Page 48 of Maps, Records of San Bernardino County, California.

EXCEPTING THEREFROM the Southwesterly 10.50 feet of said Lot 27.

Area – 9,270 S.F. more or less

PARCEL 4 – APN 211-131-024 – 2811 University Avenue

Lot 28 of White's Addition to Riverside, as shown by map on file in Book 6, Page 48 of Maps, Records of San Bernardino County, California.

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Area – 9,270 S.F. more or less

PARCEL 6 – APN 211-131-026 – 2851 University Avenue

Lot 30 of White's Addition to Riverside, as shown by map on file in Book 6, Page 48 of Maps, Records of San Bernardino County, California.

EXCEPTING THEREFROM the Southwesterly 10.50 feet of said Lot 30.

Area – 9,270 S.F. more or less

PARCEL 7 – APN 211-131-031 – 2871 University Avenue

Lot 31 and Lot 32 of White's Addition to Riverside, as shown by map on file in Book 6, Page 48 of Maps, Records of San Bernardino County, California.

EXCEPTING THEREFROM those portions of said Lots 31 and 32 conveyed to the City of Riverside by Grant Deed recorded October 30, 1981, as Instrument No. 204583 of Official Records of Riverside County California

Area – 16,248 S.F. more or less

This description was prepared by me or under my direction in conformance with the requirements of the Land Surveyors Act.

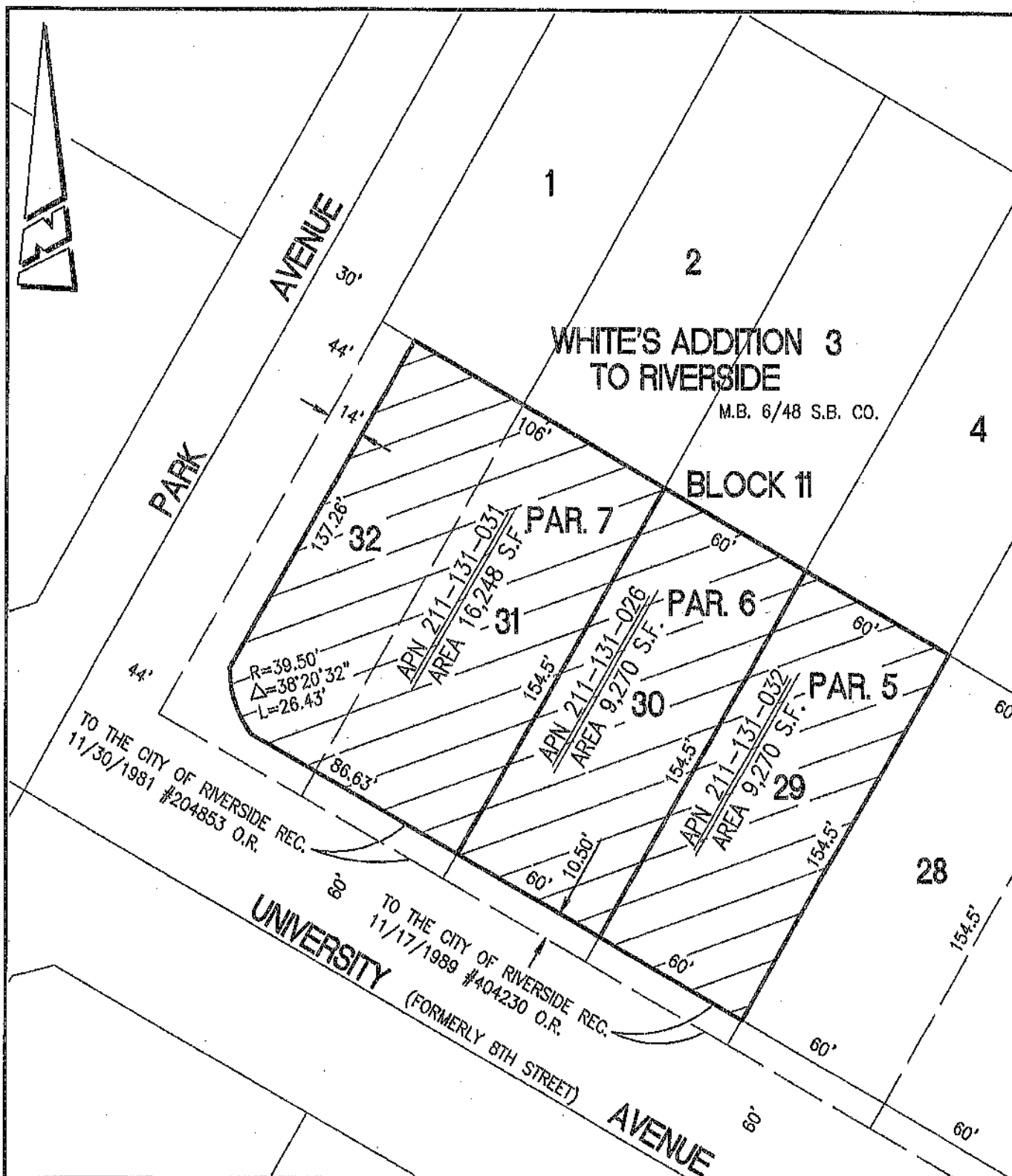
By:



Eswin O. Vega, P.L.S. 9164

8/15/23
Date





• CITY OF RIVERSIDE, CALIFORNIA •

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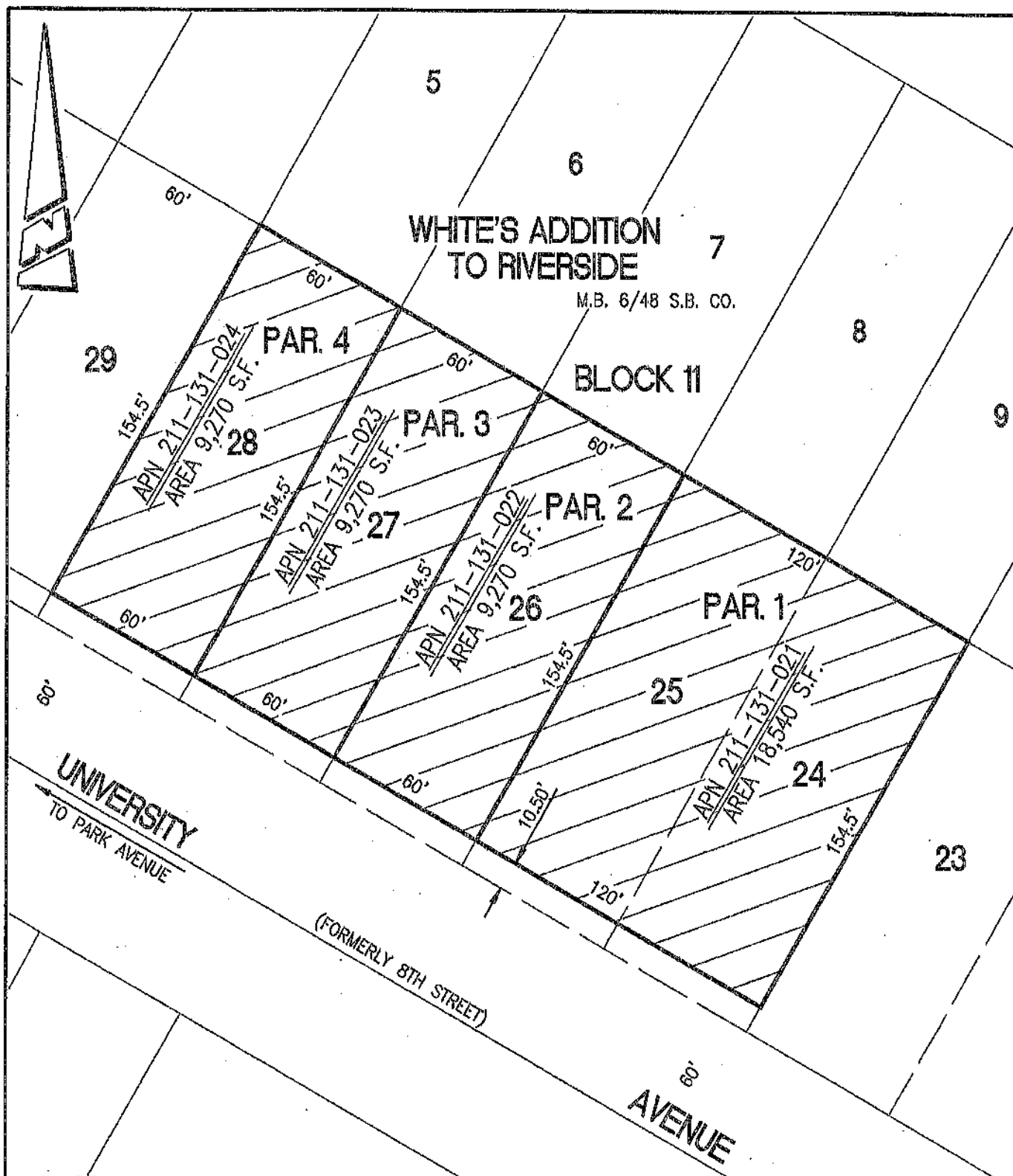
SHEET 1 OF 2

SCALE: 1"=50'

DRAWN BY: CURT

DATE: 6/21/23

SUBJECT: 2731 - 2871 UNIVERSITY AVENUE



• CITY OF RIVERSIDE, CALIFORNIA •

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SHEET 2 OF 2

SCALE: 1"=50'

DRAWN BY: CURT

DATE: 6/21/23

SUBJECT: 2731 - 2871 UNIVERSITY AVENUE

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California

County of _____)

On _____, before me, _____
(insert name and title of officer)

personally appeared _____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are
subscribed to the within instrument and acknowledged to me that he/she/they executed the same
in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the
person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the
foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____

(Seal)

**EXHIBIT “G”
HCD APPROVAL**

(Inserted behind this page)

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF HOUSING POLICY DEVELOPMENT**

2020 W. El Camino Avenue, Suite 500
Sacramento, CA 95833
(916) 263-2911 / FAX (916) 263-7453
www.hcd.ca.gov



May 8, 2023

Kaitlyn Nguyen, Senior Project Manager
City of Riverside
Community & Economic Development Department
3900 Main Street, 5th Floor
Riverside, CA 92522

Dear Kaitlyn Nguyen:

**RE: Written Comments Regarding the City of Riverside's Surplus Land
Disposition Documentation for the Property at 2731 - 2871 University
Avenue (APNs 211-131-021—024, 026, 031 and 032)**

Thank you for submitting your surplus land documentation, on behalf of the City of Riverside (City), for review by the California Department of Housing and Community Development (HCD). We received your partial documentation on February 27, 2023. This letter constitutes HCD's written comments pursuant to Government Code section 54230.5 of the Surplus Land Act (SLA), for the properties located at APNs 211-131-021—024, 026, 031 and 032, including provisional permission to proceed with the sale or lease.

According to your letter and included documents, a Resolution declaring the property to be surplus was issued on April 29, 2020, and Notices of Availability (NOA) were sent on May 26, 2020. The City was able to provide HCD documentation that the required local public entities were noticed and limited documentation that the required CalHFA certified housing sponsor list was noticed. During the required 60-day period, one affordable housing entity, Logan Capitol Advisors, expressed interest in the properties but later withdrew its letter of interest. The City provided HCD a detailed summary of negotiations. The City is currently finalizing sale of the property to Grapevine Development Company, which will develop 15% affordable housing on the project. The City also provided HCD with a copy of the appropriate draft affordability covenant to be recorded against the properties.

If the submitted documentation and verbal assurances by the City are complete and accurate, HCD determines that you have met the requirements under the SLA for the purposes of disposing of the surplus land located at APNs 211-131-021—024, 026, 031 and 032. The City is permitted to proceed with the sale or lease of the properties.

If, subsequent to this letter, HCD becomes aware that any of the information provided to HCD by the City is inaccurate or false, HCD retains the right to revoke the disposition approval and the City would be subject to the penalties found in Government Code 54230.5, subsection (a).

The City or its representatives may send any questions to publiclands@hcd.ca.gov.

Sincerely,

A handwritten signature in black ink that reads "Laura Nunn". The signature is written in a cursive, flowing style.

Laura Nunn
Senior Manager, Housing Accountability Unit
Housing Policy Division

**EXHIBIT “H”
RELEASE OF CONSTRUCTION COVENANTS**

(Inserted behind this page)

RECORDING REQUESTED BY)
AND WHEN RECORDED MAIL TO:)
City of Riverside)
3900 Main Street)
Riverside, CA 92522)
Attn: Executive Director)
)
Project: 2731-2871 University Avenue)
APNs: 211-131-021, -022, -023,-024,)
-026, -031 and -032)

(Space above for Recorder's Use Only)

This document is exempt from the payment of a recording fee
pursuant to Government Code Section 27383.

RELEASE OF CONSTRUCTION COVENANTS

THIS RELEASE OF CONSTRUCTION COVENANTS ("Release") is hereby made as of this ___ day of _____, by THE CITY OF RIVERSIDE, AS SUCCESSOR AGENCY TO THE REDEVELOPMENT AGENCY OF THE CITY OF RIVERSIDE, a public entity ("Agency") in favor of GRAPEVINE CAPITALINVESTORS I, LLC, a California limited liability company ("Developer").

RECITALS

A. The Agency and the Developer entered into that certain Purchase, Sale and Development Agreement dated for identification purposes only as of _____, _____ ("Agreement").

B. Pursuant to the Agreement, the Agency and the Developer entered into that certain Regulatory Agreement dated _____, _____. The Agreement provides for the completion of certain improvements ("Project") to certain real property ("Site") situated in the City of Riverside, California, and more particularly described on Exhibit "A" attached hereto and made a part hereof by this reference. Capitalized terms used herein and not otherwise defined shall have the meaning set forth in the Regulatory Agreement.

C. As required in the Agreement and the Regulatory Agreement, the Authority shall furnish the Developer with a Release of Construction Covenants upon completion of the Project which Certificate shall be in such form as to permit it to be recorded in the Riverside County Recorder's Office.

D. The Agency has conclusively determined that the construction of the Project required by the Agreement, and the Regulatory Agreement on the Site has been satisfactorily completed.

NOW, THEREFORE, Agency hereto certifies as follows:

1. As provided in the Regulatory Agreement, the Agency does hereby certify that all of the construction of the Project on the Site has been fully and satisfactorily performed and completed in accordance with the Agreement and the Regulatory Agreement.

2. After the recordation of this Release any person or entity then owning or thereafter purchasing, or otherwise acquiring any interest in the Site will not (because of such ownership, purchase, or acquisition) incur any obligation or liability under the Disposition Agreement, or the Regulatory Agreement to construct the Project, however, such party shall be bound by any and all of the covenants, conditions, and restrictions concerning the use, maintenance and operation of the Site which survive such recordation.

3. This Release is not a notice of completion as referred to in Section 3093 of the California Civil Code.

IN WITNESS WHEREOF, the Agency has executed this Release as of the date set forth above.

THE CITY OF RIVERSIDE, AS SUCCESSOR
AGENCY TO THE REDEVELOPMENT
AGENCY OF THE CITY OF RIVERSIDE, public
entity

By: _____
Executive Director

ATTESTED TO:

By: _____
Agency Secretary

APPROVED AS TO FORM:

By: _____
Agency General Counsel

**EXHIBIT “A”
LEGAL DESCRIPTION**

[Attached]

EXHIBIT "A"
LEGAL DESCRIPTION

Address: 2731 - 2871 University Avenue
APN'S: 211-131-021, -022, -023, -024, -032, -026, -031

That certain real property located in the City of Riverside, County of Riverside, State of California, described as follows:

PARCEL 1 – APN 211-131-021 – 2731 University Avenue

Lot 24 and Lot 25 of White's Addition to Riverside, as shown by map on file in Book 6, Page 48 of Maps, Records of San Bernardino County, California.

EXCEPTING THEREFROM the Southwesterly 10.50 feet of said Lot 24 and said Lot 25.

Area – 18,540 S.F. more or less

PARCEL 2 – APN 211-131-022 – 2771 University Avenue

Lot 26 of White's Addition to Riverside, as shown by map on file in Book 6, Page 48 of Maps, Records of San Bernardino County, California.

EXCEPTING THEREFROM the Southwesterly 10.50 feet of said Lot 26.

Area – 9,270 S.F. more or less

PARCEL 3 – APN 211-131-023 – 2791 University Avenue

Lot 27 of White's Addition to Riverside, as shown by map on file in Book 6, Page 48 of Maps, Records of San Bernardino County, California.

EXCEPTING THEREFROM the Southwesterly 10.50 feet of said Lot 27.

Area – 9,270 S.F. more or less

PARCEL 4 – APN 211-131-024 – 2811 University Avenue

Lot 28 of White's Addition to Riverside, as shown by map on file in Book 6, Page 48 of Maps, Records of San Bernardino County, California.

EXCEPTING THEREFROM the Southwesterly 10.50 feet of said Lot 28.

Area – 9,270 S.F. more or less

PARCEL 5 – APN 211-131-032 – 2831 University Avenue

Lot 29 of White's Addition to Riverside, as shown by map on file in Book 6, Page 48 of Maps, Records of San Bernardino County, California.

EXCEPTING THEREFROM the Southwesterly 10.50 feet of said Lot 29 as conveyed to the City of Riverside by Grant Deed recorded November 17, 1989, as Instrument No. 404230 of Official records of Riverside County, California.

Area – 9,270 S.F. more or less

PARCEL 6 – APN 211-131-026 – 2851 University Avenue

Lot 30 of White's Addition to Riverside, as shown by map on file in Book 6, Page 48 of Maps, Records of San Bernardino County, California.

EXCEPTING THEREFROM the Southwesterly 10.50 feet of said Lot 30.

Area – 9,270 S.F. more or less


PARCEL 7 – APN 211-131-031 – 2871 University Avenue

Lot 31 and Lot 32 of White's Addition to Riverside, as shown by map on file in Book 6, Page 48 of Maps, Records of San Bernardino County, California.

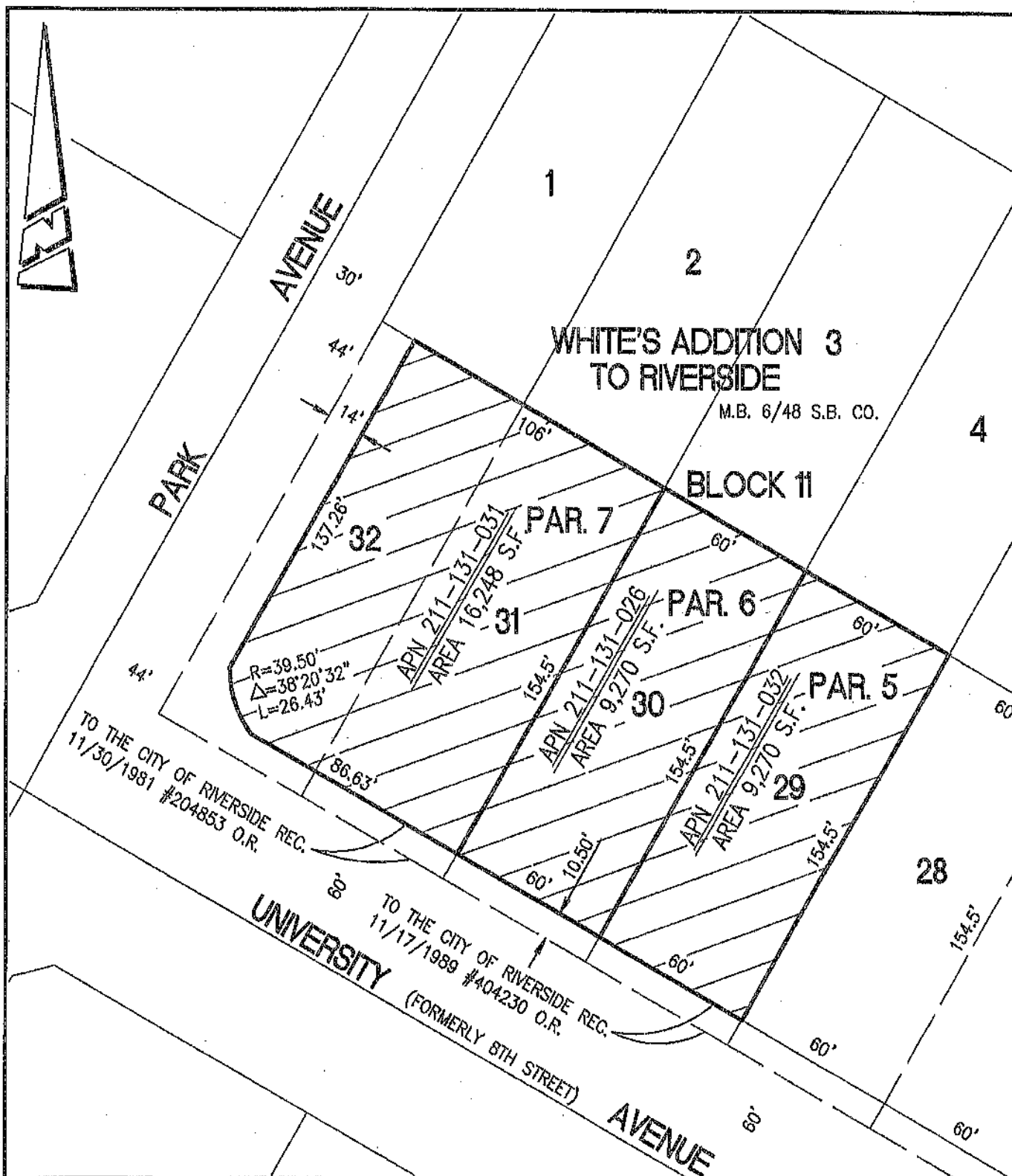
EXCEPTING THEREFROM those portions of said Lots 31 and 32 conveyed to the City of Riverside by Grant Deed recorded October 30, 1981, as Instrument No. 204583 of Official Records of Riverside County California

Area – 16,248 S.F. more or less

This description was prepared by me or under my direction in conformance with the requirements of the Land Surveyors Act.

By:  8/15/23
Eswin O. Vega, P.L.S. 9164 Date





• CITY OF RIVERSIDE, CALIFORNIA •

THIS PLAT IS SOLELY AN AID IN LOCATING THE PARCEL(S) DESCRIBED IN THE ATTACHED DOCUMENT. IT IS NOT A PART OF THE WRITTEN DESCRIPTION THEREIN.

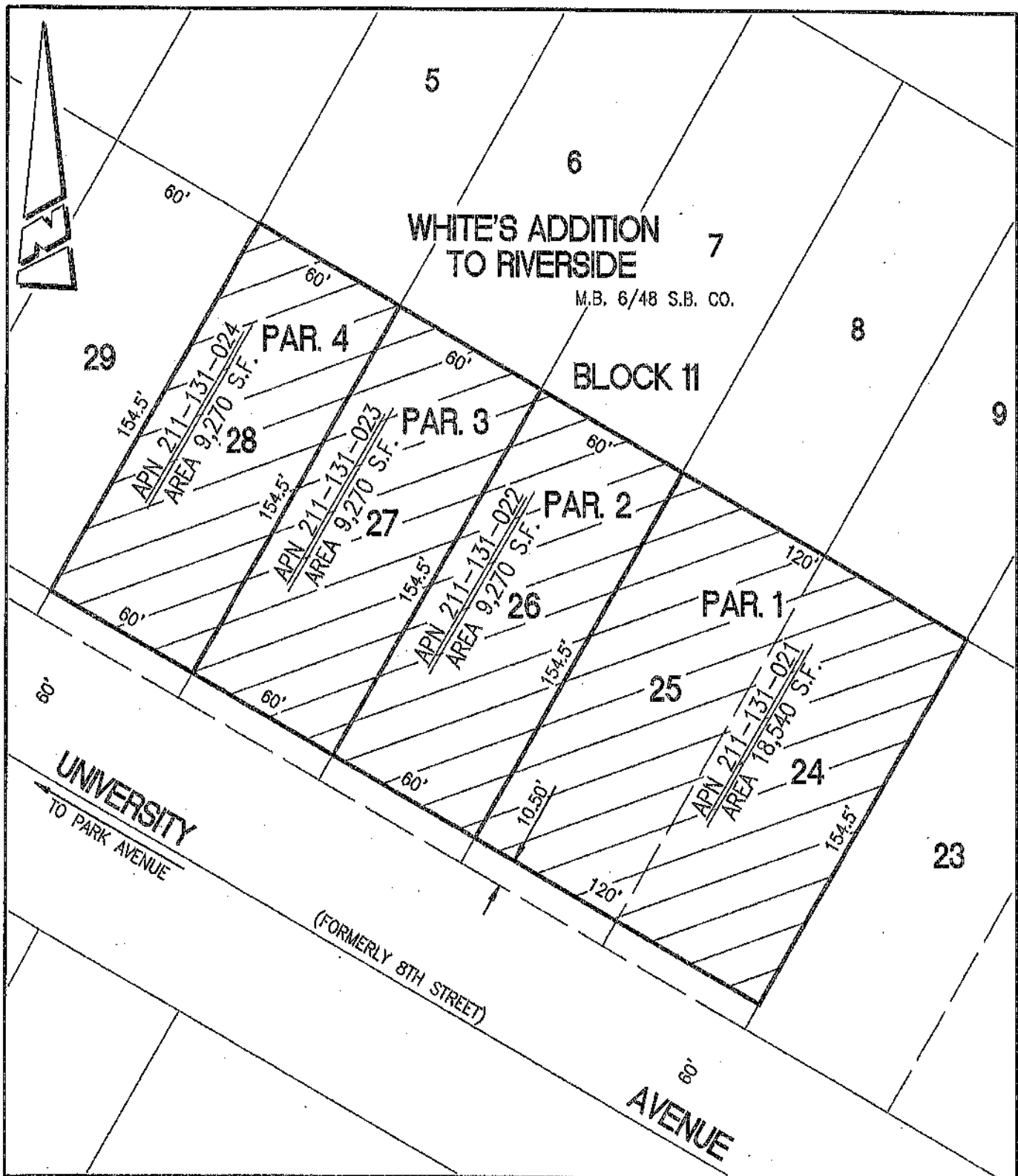
SHEET 1 OF 2

SCALE: 1"=50'

DRAWN BY: CURT

DATE: 6/21/23

SUBJECT: 2731 - 2871 UNIVERSITY AVENUE



• CITY OF RIVERSIDE, CALIFORNIA •

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SHEET 2 OF 2

SCALE: 1"=50'

DRAWN BY: CURT

DATE: 6/21/23

SUBJECT: 2731 - 2871 UNIVERSITY AVENUE

Signature: *Jennifer A. Lilley*

Email: JLilley@riversideca.gov